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Evaluation of the Voluntary, Community, and Social Enterprise Covid-19 Emergency Funding Package

Final report

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Evaluation report prepared for the Department for Digital, Culture, Media & Sport

Department for
Digital, Culture,
Media & Sport

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Abbreviations

ACE   Arts Council England

BAME   Black, Asian, and ethnic minority

BNI   Big Night In

CCSF   Coronavirus Community Support Fund

CiN   Children in Need

CMC   Community Match Challenge

CR   Comic Relief

CSSG   Civil Society Stakeholder Group

DCMS   Department for Digital, Culture, Media & Sport

LGBTQ+   Lesbian, gay, bisexual, transgender, queer / questioning, other

NCVO   National Council for Voluntary Organisations

NET   National Emergencies Trust

OGD   Other Government Departments

ToC   Theory of Change

VCSE   Voluntary, Community and Social Enterprise

VCSEP   Voluntary & Community Sector Emergencies Partnership

VfM   Value for Money

YCSF   Youth Covid-19 Support Fund

Glossary

Table 0:1 below which describes some of the key terms used throughout this report:

Table 0:1   Definitions used in this report

Term	Definition
Beneficiary / beneficiary groups	Service users were referred to as beneficiaries during the preparatory stages of the Theory of Change (ToC) development. The term also referred to the NHS, other public services and volunteers.
Fund	One of eight funds that constitute the funding package. These are: Big Night In, Coronavirus Community Support Fund, Community Match Challenge, Government Departmental Funding, Hospices Fund, Voluntary and Community Sector Emergencies Partnership, Youth Covid-19 Support Fund, and the Winter Loneliness Fund (consisting of Arts Council England, DCMS Loneliness, and Radio funding).
Funding package	The Covid-19 Voluntary, Community and Social Enterprise sector support package of £750m.
Funding intermediary	An organisation which was awarded money by a funding partner, which then distributed that money to grantholder organisations.
Funding partner	A sub-fund organisation which distributed money to grantholder organisations.
Grantholder organisation or Grantholder	An end organisation that received money from the funding package to deliver activities. The term 'Grantholder' is also sometimes used to refer to a staff member within one of these organisations.
Sector representative	An organisation that represents, supports, or advises VCSE sector organisations. This includes, for instance, membership or advocacy organisations.
Service user	A person who received support from or engaged with the activities supported by the grantholder organisation.
Sub-fund	One of the funding streams through which money is distributed under the above funds. For example, The Greggs Foundation is a sub-fund of the Community Match Challenge fund.

1 Introduction

NatCen Social Research, in partnership with RSM UK Consulting LLP, was commissioned by the Department for Digital, Culture, Media & Sport (DCMS) to undertake an evaluation of the Voluntary, Community and Social Enterprise (VCSE) Covid-19 emergency funding package, hereby referred to as 'the funding package'. The purpose of this funding was to enable VCSE organisations to continue their work to support people and communities in need during the Covid-19 pandemic. This report presents the findings of the evaluation of the funding package that was distributed and implemented between April 2020 and March 2021.

1.1 Context and background to the VCSE funding package

In March 2020, Covid-19 restrictions meant that non-essential businesses had to shut, people were instructed to stay at home and limitations were placed on the number of people from different households who could gather.[1] As a result, the VCSE sector was faced with the forced closure of face-to-face activities, including traditional sources of revenue from physical stores and fundraising events.[2] For many organisations this resulted in the immediate loss of their main sources of income. Few organisations were able to draw on cash reserves, although these were quickly depleting.[3] The sector also experienced new practical challenges around adapting services in order to continue supporting groups disproportionately affected by the pandemic. Increasing demand for core services[4] required VCSE staff to continue working, leaving some organisations unable to benefit from some of the wider measures available to them (e.g., the Coronavirus Job Retention Scheme). Given the uncertainty of the pandemic, many organisations were faced with imminent closure if additional funding was not secured.

In response to these challenges, an emergency funding package of £750 million was announced by the Chancellor on 8 April 2020[5] to support the VCSE sector through the Covid-19 pandemic. The funds were distributed by DCMS and other government departments to a range of VCSE organisations. The funding package aimed to ensure that the sector could continue day-to-day work during the Covid-19 pandemic and meet any increase in demand. In particular, the funding aimed to support communities, alleviate pressure on the NHS, and ensure that frontline services were able to reach the most vulnerable people.[6]

As of 31 March 2021, grants made under the funding package have supported over 14,000 organisations and funded a wide range of projects. The funding package included nine funding streams, eight of which were covered by this evaluation:

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[1] Cabinet Office (2020). Staying at home and away from others (social distancing) (updated 1 May 2020). [Accessed 17/02/2022]

[2] Nottingham Trent University, Sheffield Hallam University, & National Council for Voluntary Organisations (NCVO) (2021). Respond, recover, reset: the voluntary sector and COVID-19. March 2021. [Accessed 17/02/2022]

[3] UK Parliament. Digital, Culture, Media and Sport Committee (2020). The Covid-19 crisis and charities: First Report of Session 2019-21. [Accessed 17/02/2022]

[4] IPSOS Mori (2021). Impact Evaluation of the Coronavirus Community Support Fund: Final Report. [Accessed 17/02/2022]

[5] HM Treasury (2020). Chancellor sets out extra £750 million coronavirus funding for frontline charities. 8 April 2020. [Accessed 17/02/2022]

[6] HM Treasury (2020). Chancellor sets out extra £750 million coronavirus funding for frontline charities. 8 April 2020. [Accessed 17/02/2022]

1. **Big Night In** (BNI).This included £37m in government match funding of public donations received during the BBC's 'Big Night In' appeal. The fund was distributed across three sub-funds: Children in Need (CiN), Comic Relief (CR) and National Emergencies Trust (NET). The CiN sub-fund responded to the needs of vulnerable and marginalised children. The CR sub-fund focused on supporting families and communities to meet the needs of young children, women and girls, those requiring mental health support and those who are homeless or facing insecure housing. The NET sub-fund was more broadly focused on the needs of vulnerable people in local communities.
2. **Community Match Challenge** (CMC). This included £84.6m in government match funding of grants and donations from community foundations and philanthropists. Funds were distributed using 20 charity funding partners each allocated between £1m and £20m in match funding. The fund aimed to support a range of service users based on their needs, including older people, disabled people, children and young people, carers, low income families, the homeless, victims of domestic abuse and people with learning disabilities.
3. **The Coronavirus Community Support Fund** (CCSF). This funding stream allocated £199m, which was distributed by The National Lottery Fund to provide support for vulnerable people affected by the pandemic and to reduce closures of essential organisations.
4. **Other Government Departments** (OGD). This funding stream, made up of eight central government departments, distributed £163m across a total of 24 sub-funds. This was allocated to address the needs of a wide range of people by providing emergency relief, supporting adaptations to services for delivery and supporting the continuation of core operations to offset loss of revenue.
5. **Hospices** were issued with £155.8m in funding by NHS England. The funding was distributed by a national charity, Hospice UK, to alleviate the financial pressures on hospices during the Covid-19 pandemic and to enable them to provide palliative care and Covid-19 clinical services, whether for inpatient care in hospices or in the community.
6. **Voluntary & Community Sector Emergencies Partnership** (VCSEP). This funding stream distributed £4.8m through a range of local and national partner organisations, supporting the coordination of the emergency response to Covid-19 (e.g., through the national vaccination programme).
7. **The Youth Covid-19 Support Fund** (YCSF). This funding stream awarded £16.5m to a mixture of grassroots youth clubs, uniformed youth groups, national youth and umbrella organisations based in England. The fund aimed to enable youth organisations to continue operating, targeting those that were impactful but struggling.
8. **The Winter Loneliness Fund.** The government allocated £7.5m to this funding stream, distributing funds across three existing schemes (Loneliness Fund, Arts Council England and Radio Fund). The fund aimed to tackle loneliness among vulnerable groups, particularly in the context of winter and pandemic lockdowns by supporting cultural organisations known to bring communities together.

Further information about each of these eight funding streams can be found in section 3.2.1. No additional evidence was gathered for CCSF[7] as a rigorous evaluation has already been conducted and its findings are integrated into this evaluation where relevant. The Devolved Administrations fund is out of scope for this evaluation as it was not administered or managed by the UK government.

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[7] IPSOS Mori (2021). Impact Evaluation of the Coronavirus Community Support Fund: Final Report. [Accessed 17/02/2022]

1.2 Aims and objectives of the evaluation

The aim of this evaluation was to assess the impact of the funding package as a whole upon organisations, people, and communities.

There are two main aspects to the evaluation:

- An impact evaluation to assess the contribution the funding package has made to the grantholder organisations and the people and communities that were supported; and
- A process evaluation to explain how the funding package worked, examining the extent to which the funding package has been implemented as intended.

Several recommendations and lessons learned will be drawn from the key findings of this evaluation, which will help inform how emergency funding packages can be designed and delivered in future.

1.3 Theory of Change and evaluation hypothesis

The Theory of Change (ToC) reflects the outcomes the funding package was expected to achieve for a) grantholder organisations, and b) the people and communities that these organisations supported. It is based on an overarching hypothesis, while helping to conceptualise and test whether the hypothesis held true. The ToC sets out what the funding package inputs were, how funded activities were expected to result in the intended outcomes, and for whom.[8]

The overarching **hypothesis** for this funding package was as follows:

> By providing direct grant funding to VCSE organisations across the UK, these organisations will be able to meet increased and evolving demand for their services. Funding will also allow them to continue their day-to-day activities supporting those in need.

This hypothesis assumes that:
- The funding was primarily intended to enable VCSE organisations to support people at a local level, although some awards were made at a national level to support people in need across the UK;
- People in need faced additional or different pressures as a result of the pandemic;
- VCSE organisations could address such pressures in principle but required support to do so;
- VCSE organisations had an increased need for support and could not [continue to] provide services without this support; and
- Crucially, VCSE organisations were the means through which people in need are supported.

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[8] IPSOS Mori (2021). Impact Evaluation of the Coronavirus Community Support Fund: Final Report. [Accessed 17/02/2022]

The ToC includes outcomes for the expected beneficiary groups of the funding package, these being:

- **Grantholder organisations** who were responsible for the delivery of activities supported through money received under this funding package. This included local community groups, charities, and social enterprises;
- **Service users** who were people and communities in need during the Covid-19 pandemic, who received support from grantholder organisations; and
- **The NHS and other public services** were not direct recipients of the funding package. Nonetheless they were indirect beneficiaries as the support provided to grantholder organisations may have reduced pressure on them.

The ToC logic model (Figure 1:1) was designed to be inclusive of all eight funds being evaluated, covering the elements that were common across all funding streams and those that were specific.

Figure 1:1   Funding package logic model
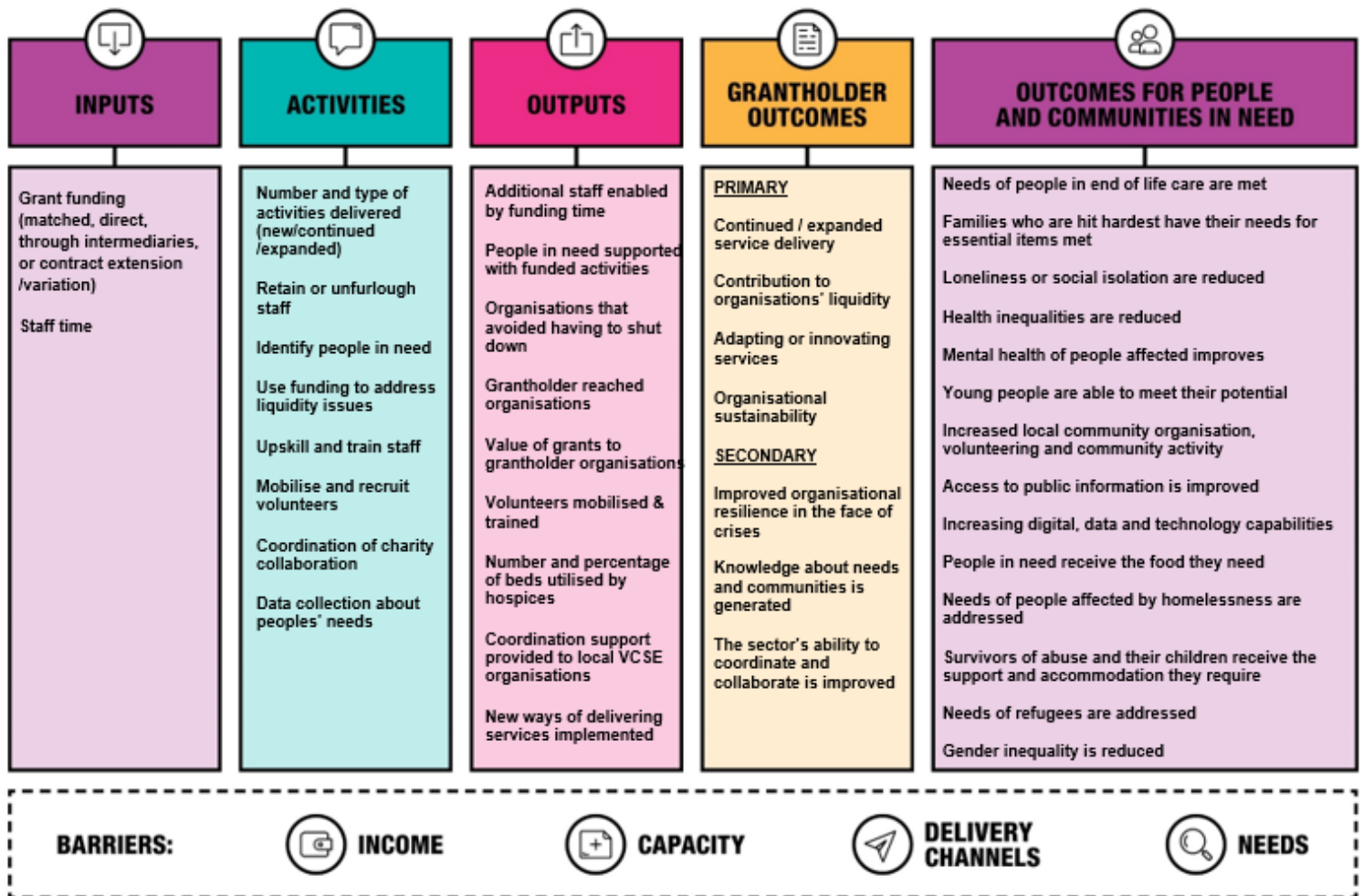
The evaluation team conducted a participatory and iterative process to develop and finalise the ToC. This included agreeing key principles, reviewing documentation and holding workshops with stakeholders for feedback purposes (described in further detail in our scoping phase report).[9] Each ToC outcome has related measures, sources, and

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[9] IPSOS Mori (2021). Impact Evaluation of the Coronavirus Community Support Fund: Final Report. [Accessed 17/02/2022]

analysis techniques outlined in the evaluation framework (see Technical Annex). The evaluation framework divides the ToC statements into three core groups: (1) service users, (2) primary outcomes for grantholder organisations, and (3) secondary outcomes for grantholder organisations.

1.4 Structure of the report

The structure of the rest of the report is outlined below.

- Chapter 2 outlines the evaluation's methodology. This includes a description of what was involved at each phase of the research, the type of data collected and how this data was analysed.

- Chapter 3 presents the process-related findings. This includes a description of the funding streams, and findings relating to the funding mechanism, application process and monitoring requirements.

- Chapter 4 discusses the impact of the funding package on grantholder organisations and their staff. This chapter describes how the funding was used by organisations, what activities were delivered, the impact of the funding on the organisation's liquidity, and their ability to expand or innovate their services.

- Chapter 5 discusses the impact on people and communities in need. This includes a discussion of who the funding reached, and what outcomes have been achieved for people in need as a result of the funding package.

- Chapter 6 discusses the impact on volunteers, reporting on the role of volunteers in supporting people and communities to access the support they need during the pandemic.

- Chapter 7 discusses the role of DCMS and the government in supporting the VCSE sector.

- Chapter 8 presents the synthesis of the findings from the previous chapters in relation to the overarching hypothesis of the funding package, and overall conclusions – including key lessons and recommendations for how emergency funding can be delivered in the future.

2 Methodology

Evaluation activities were conducted in three phases (scoping, implementation and synthesis). These are illustrated in Figure 2:1 below, to provide evidence on process and impact with a view to:

- Understand which approaches worked best to achieve desired outcomes;
- Identify who was reached and where;
- Identify all outputs achieved; and
- Inform DCMS' sector stewardship strategy.

Additional details relating to the key methodological phases of the evaluation are also covered in Technical Annex.

Figure 2:1   Evaluation activities
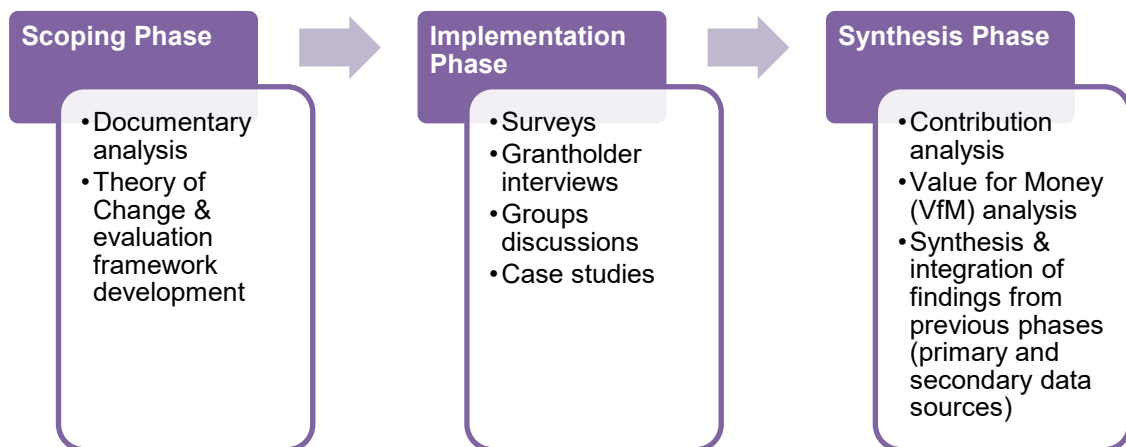
The scoping phase included an analysis of documents provided by DCMS, including monitoring data, end of grant reports, and separately commissioned evaluation reports.

The documentary analysis highlighted gaps in evidence and informed the development of the ToC. A total of 40 documents were included, from which data was extracted to inform pen portraits for each of the funding streams. Funded activities had been evaluated in myriad ways, resulting in disparate evaluation activities across and within the funding streams. Data from the document extraction was analysed to map these evaluation activities and the data collected under each fund, identifying any gaps. The evaluation activities were assessed on their inclusion and rigour, with the greatest evidence gaps found within the following funds: BNI, CMC, OGD, ACE, Hospices Fund and Radio Fund. As a result (described in further detail in our scoping phase report)[10] these funding streams formed the focus of our primary data collection. It should be noted that this was based on the documents received at the time, meaning subsequent evaluation activities may not have been included.

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[10] National Centre for Social Research (NatCen) and RSM (2022). Evaluation of the Voluntary, Community, and Social Enterprise Funding Package: Scoping report. [Accessed 17/02/2022]

2.1 Implementation phase

The second phase was an implementation phase, which gathered evidence for the process and impact evaluation of the funding package, to address evidence gaps identified during the scoping phase. This phase included the following strands of data collection:

2,594
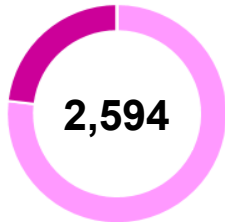
Grantholder organisations participated in the survey

An online survey of grantholder organisations. All organisations that received money under the funding package and that we had contact information for were invited to take part in this survey. The survey gathered information on process and impact, covering all funding streams except CCSF (which was excluded from primary data collection). Grantholders in the Hospices funding stream were asked only a subset of questions because the survey was not applicable to all of its activities. A total of 2,594 grantholder organisations responded to the survey. Of these, 2,279 were invited to participate *directly*, out of a total of 8,621 grantholder organisations, a response rate of 26%. The other 315 respondents were invited to take part by the *intermediary organisations* that distributed the funding to them, with a response rate of 17%. This was done in cases where the funding stream was not able to provide the contact details to NatCen. Not all intermediaries were able to confirm how many grantholder organisations were invited to participate by them, so a full response rate was not calculated for these respondents.

540
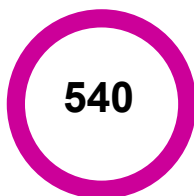
Volunteers responded to the survey

An online volunteer survey. This survey was designed to collect information from grantholder volunteers. The questions focused on process and impact but were designed to be relevant to volunteers who may not have knowledge of how the fund was used. A total of 540 volunteers responded to the survey. The survey was distributed by the grantholder organisations who agreed to send the survey link to their volunteers. It was not possible to calculate a response rate for the survey as it was unclear how many volunteers these organisations had shared the survey with.

103
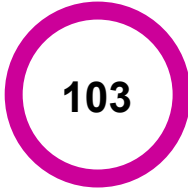
Interviews conducted with grantholder organisations

Interviews with grantholder organisations. 103 interviews were conducted with a sample of grantholder management staff involved in the delivery of activities supported by the funding package, herein referred to as grantholders. The purpose of these interviews was to understand how the funding made a difference to the organisations and the way they delivered services to those in need. A core focus was on lessons learned.

3

Group discussions held with representatives of umbrella organisations

Group discussions with VCSE sector representatives. Three group discussions were held involving 17 representatives of relevant umbrella organisations for charities, social enterprises, community organisations and volunteers. The purpose of these sessions was to gather views about the impact of the funding package on the sector, and to understand what types of strategic support the sector needs from the government going forward, including how needs have changed over the course of the Covid-19 pandemic.

4

Group discussions held with staff from funding bodies

Group discussions with funding bodies. Four group discussions were held with 33 staff across bodies who have provided grants under the funding package, either from government or from match funding organisations. These sessions were split by the approach to funding, with discussions conducted for direct funding approaches, for match funding and for extensions of existing contracts with grantholder organisations. These sessions explored why different delivery models were chosen and what they intended to deliver.

19
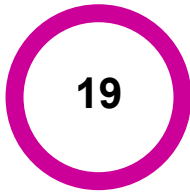
Case studies were conducted with grantholder organisations

Case studies. 19 case studies were conducted with grantholder organisations with good representation across all funding streams.. Of these 19 organisations, five received funding from CMC, five from OGDs, three from BNI (including one from each of the three sub-funds), two from VCSEP, two from the Winter Loneliness Fund (one that received funding from Arts Council England and the other from the Radio fund) and two from the Youth Covid-19 Support Fund. The case studies consisted of interviews with strategic and operational staff members, volunteers (where applicable) and service users. In total, 82 interviews were conducted (20 senior managers, 20 operational staff, 11 volunteers and 31 service users).

Organisations were recruited based on primary (e.g., funding stream, service type, size of grant award) and secondary sampling criteria to ensure good representation and diversity across funding streams. An initial sample was created according to the primary sampling criteria and invitations were sent to all organisations included in the sample. The organisations that responded showing interest were screened according to primary and secondary criteria and a diverse final sample of case studies were selected. The case studies were designed to provide a holistic view of how the funding had been used, while also providing an in-depth understanding of the impact of the funding on grantholder organisations and service users. A full write-up of each case study can be found in the case study report, which is published separately on GOV.UK, and the key findings have been synthesised into the main report.

2.2   Synthesis phase

The synthesis phase involved applying contribution analysis[11] to primary and secondary data. Contribution analysis provides a framework for evaluators to make credible causal claims where the ToC is complex, the this case inferring whether the funding package has made a difference and contributed to the impacts observed. This theory-based approach is explained further in section 2.5.1.

An expert advisory group was consulted throughout the evaluation. The advisory group was made up of five members who are specialised researchers and / or policy practitioners with expertise in volunteering. A full list of advisory group members is included in the Technical Annex. Their main roles and responsibilities involved providing feedback on the ToC, research tools (e.g., topic guide themes, volunteer survey), case study and group discussion methodologies, as well as the final evaluation report (in particular, reflecting on the key findings and recommendations).

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[11] Mayne, J. (2012). 'Contribution analysis: coming of age?' *Evaluation*, 18(3), pp. 270–280.

2.3 Interpretation of data

2.3.1 Grantholder survey

The survey of grantholders was an online survey sent to all organisations that received funding through the VCSE sector funding package.

The survey of grantholders was intended to be answered only by grant recipients, and the vast majority (93%) of respondents used the funding directly to support their organisation and its work. In some cases, however, these grant recipients were providing onward funding to other charities or third sector organisations:

- Of responding grantholders, 2% were solely providing onward grants.
- An additional 6% were using the funding for their own needs and providing onward grants. Among grantholders who did both, nearly half (49%) spent 10% or less of the funding they were awarded on onward grants, 12% spent 11-50% on onward funding, and 19% more than half their award on onward grants. 20% were unsure how much was spent in this way.

This report focuses on grantholders which used the funding directly, including those who distributed *some* of the funding as onward grants, which covers 98% of grantholder organisations.

Interpretation of grantholder survey data

The grantholder survey sample is split into two groups. The majority (8,627 organisations) were contacted directly by NatCen to take part in an online survey. This excludes the organisations funded by CCSF (8,171), which were evaluated separately.[12] The fieldwork method for this group was consistent, with each grantholder receiving one invitation email and three reminders. In this arm of the sample, the response rate was 26% (2,279 responding organisations).

For a subset of grantholders, details could not be directly supplied to NatCen, and instead their funder distributed the survey to them on NatCen's behalf. In these cases, the fieldwork process may have differed, for example, in the time and number of invitations to take part. The total number of organisations invited to take part was also known only indirectly, reported by the intermediaries distributing the survey. 315 responded to the survey, an estimated response rate of 17%. As the different funding streams were not exclusive, the same organisation may have appeared in both samples. Respondents from this onward dissemination of the survey made up 12% of all responding grantholders. These samples and methodologies are quite different, and so an overall response rate was not calculated (Table 2:1).

Table 2:1   Response rate

Directly surveyed grantholders	26%
Indirectly surveyed grantholders	17%

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[12] The estimate of how many organisations were reached by the VCSE sector support package is over 14,000. However, given the total sample size for CCSF (n=8,171) and the survey of grantholders in other funding streams (n=8,627), the total number may be greater than 16,000. We cannot provide a final estimate, as we do not know how far these two groups overlap.

Survey representativeness

The survey was conducted with a sample composed of all grantholders of the VCSE sector support package, besides those in the CCSF funding stream. In this sense it was a census, rather than a survey based on a randomly selected sample. Any error in the results would not be the result of sampling error – error that results from taking measurements from a sample, rather than the whole population – but of non-response bias. Non-response bias can occur when particular groups within the sample are more likely to respond than others. In this case, there is limited information about grantholders besides the amount of funding they received through the funding package, and whether they were directly or indirectly surveyed.

Table 2:2 below presents response rate by how much grant funding an organisation received. This excludes organisations that were sent an open link survey, where a sample file was not directly received (315 organisations responded to the open link survey). The table shows that response rate was highest for medium sized grants receiving between £10,001 and £50,000, or between £50,000 and £100,000.The response rate was lower for small grant amounts of less than £10,000, and lowest for the largest grants of £100,001 or over.

Table 2:2   Grantholder survey response rate by grant amount

£1 - £10,000	26%
£10,001 - £50,000	31%
£50,001 - £100,000	29%
£100,001 or over	21%
Total	27%

Base: all grantholders sent a closed link survey (8,627).

The response rates suggest that the results are somewhat skewed towards medium sized grants, and away from small and large grants. When assessing the overall impact of the fund, medium sized grants will be over-represented. This **may** bias results if medium sized grants had a different impact on grantholders than other grant sizes. To try and account for this, outcomes have been analysed by grant size and organisation size, to assess whether the experiences of large grantholders differed from smaller ones. It is also likely that there may be other characteristics of organisations associated with non-response, which we are not able to measure and account for (although this will be the case in most surveys).

Weighting the data by grant amount was also considered. This would have produced weighted estimates representative by grant size. That is, the proportion of organisations receiving small, medium and large grants would have been close to the proportion in the population of all grants distributed to grantholders. However, this would not have addressed unobserved biases due to characteristics we could not measure. An example of an unobserved bias might be differences in response rate between satisfied and dissatisfied grantholders. If dissatisfied grantholders were less likely to respond they would be under-represented in the results, biasing results towards satisfied grantholders' views. This could not be adjusted for as satisfaction levels are not known for the total population of grantholders.

Weighting by grant size was not adopted because the grant amount of all funded organisations was not available. As described above, some organisations were not

able to provide a complete list of funded organisations, and instead distributed the survey themselves to these grantholders. Without a complete list of all funded grantholders, the responding portion of the sample cannot be weighted back to the population from which it is drawn. There is also potential for overlap between these samples, given that organisations may have appeared in both groups.

Table 2:3 indicates the response rate by funding stream for organisations where a unique copy of the survey was sent directly to a named contact. The table excludes the 315 organisations which responded to an open link survey. There was a high response rate from the Youth Covid-19 Support Fund grantholder organisations (45%), while the VCSEP funding stream grantholder organisations had the lowest response rate (4%) among all the funding streams. This variation suggests that the experience of grantholder organisations providing services to children and young people was over-represented in the sample, while VCSEP grantholder organisations were under-represented, though from a relatively small base of organisations. The experience of the hospices sector was also relatively under-represented with a 14% response rate.

Table 2:3   Grantholder survey response rate by funding stream

Funding stream	Number of organisations surveyed	Responses (per cent)
Big Night In (BNI)	2,845	24%
Community Match Challenge (CMC)	4,428	28%
Other government departments (OGD)	716	20%
Hospices	165	14%
Voluntary & Community Sector Emergencies Partnership (VCSEP)	46	4%
Youth Covid-19 Support Fund	524	45%
Winter Loneliness Fund (Loneliness)	90	16%
Winter Loneliness Fund (Arts Council England)	46	20%
Winter Loneliness Fund (Radio Fund – Audio Content Fund and Community Radio Fund)	52	15%

Base: all grantholders sent a closed link survey (8,627).

Overall, given the lack of auxiliary information available, it is difficult to examine the extent to which the survey is representative of the population of grantholders. A response rate of 26% is relatively high for an online survey of this type, but there is still a risk that non-response bias will affect the findings to some degree.

2.3.2 Volunteer survey

The volunteer survey was distributed through grantholder organisations to their volunteers to complete online. A total of 540 volunteers responded to the survey. As the survey was reliant on grantholder organisations to distribute to their volunteer networks, a full sample frame was not available for the survey. Therefore, it was not possible to calculate a response rate. It was also a non-random, self-selecting sample as grantholder organisations were able to choose which volunteers they sent the survey to. As a result, more committed volunteers may have been more likely to respond.

Considering these limitations, the volunteer survey data may not be representative of the full population of volunteers at grantholder organisations, and these results need to

be treated with caution. Where possible, findings have been triangulated against qualitative evidence, as well as survey evidence from volunteers collected in the CCSF funding stream evaluation, which had a greater sample size of volunteers (due to timing of the evaluation and longer fieldwork duration).

2.3.3 Note on survey reporting

The reporting of survey findings throughout this report will refer to the seven funding streams (which excludes the CCSF) covered by our survey, unless otherwise specified. Any findings that refer to a percentage of grantholders, will be among grantholders of the seven main funding streams only. The results of the CCSF evaluation are integrated wherever possible and are described as referring to CCSF grantholders only.

Reported findings are rounded to whole numbers. In some cases, where combined categories are presented, the totals may appear to be out by one percentage point due to rounding.

2.3.4 Qualitative data

The aim of qualitative research is to access the breadth and diversity of participants' experiences and views. We made sure to obtain views from a range of participants, but these may not be representative of all potential participants.

2.4 Analytical and synthesis approach

2.4.1 Contribution analysis

The funding package was complex (e.g., complex distribution of funding, different aims and uses of funding and their related outcomes, wide variety of targeted service users, and potential differences in impact by beneficiary type and context). Therefore it was not feasible to establish a credible comparison group for a counterfactual evaluation to take place. The most appropriate analysis approach, in this context, is contribution analysis, a theory-based approach to systematically examine the contribution a given intervention has made to observed outcomes.[13] A number of contribution statements were developed, outlining the expected contribution that the VCSE funding package made to observed impacts.

The main aim was to assess the extent to which the primary and secondary data gathered and analysed throughout the evaluation support each of the contribution statements. To do this, a multi-step approach was adopted. Primary data (from surveys, grantholder interviews, group discussions, case study interviews) was initially analysed separately. Triangulation then took place to synthesise data and findings from primary data sources with those from secondary data sources (including evaluation reports specific to individual funding streams e.g., the CCSF impact evaluation). Through this process, relevant evidence that supported or conflicted with each of the contribution statements was identified.

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[13] Mayne, J., (2019). 'Revisiting contribution analysis.' *Canadian Journal of Program Evaluation*, 34(2), pp.171–191.

The strength of evidence for each contribution statement was assessed and categorised into 'Strong', 'Moderate' or 'Weak'.

- **Strong**: numerous sources of evidence, with high convergence of findings;
- **Moderate**: moderate amount of evidence, with general convergence but possibly with conflicting results; and
- **Weak**: limited evidence, with limited convergence of findings.

Potential alternative explanations or contributing factors were also identified for the observed changes as the contribution analysis approach acknowledges that the VCSE funding package was delivered in a complex system.

As a final step, all the contribution statements were reviewed to assess the strength of evidence for and against the overarching hypothesis of the VCSE funding package.

The five contribution statements, which were developed from the funding package's ToC, are as follows:

Contribution statement 1: the funding package contributed to grantholders' **financial position** during the Covid-19 pandemic.

Contribution statement 2: the funding pakage contributed to the grantholders' ability to **continue and / or expand core services** either through retaining or increasing staff or volunteer capacity, or through collaborations with other organisations.

Contribution statement 3: the funding package contributed to grantholders' ability to **adapt and / or innovate delivery models** to provide services and reach existing and / or new service users during the Covid-19 pandemic.

Contribution statement 4: the funding package enabled grantholder organisations to **reach and support people and communities in need** during Covid-19, which resulted in positive outcomes for service users.

Contribution statement 5: the funding package enabled grantholders to **support people and communities to access support and services they needed** during the pandemic, through:
   a) Improving access to public information;
   b) Increasing digital, data and technology capabilities; and
   c) Increasing local community organisation, volunteering and communityactivity.

2.4.2 Value for Money (VfM)

This evaluation is not able to provide a comprehensive quantitative assessment of the value for money (VfM) of the funding package. This is due to a variety of reasons:

The emergency nature of this funding package prompted a dedicated focus on supporting VCSE organisations to respond to the pandemic at speed. Grantholder expenditure data by either activity or outcome was not collected.

This means that it is not possible to undertake any form of unit cost or economy-based calculations or to monetise benefits attributed to funding package beneficiaries.

There is no counterfactual against which a cost-benefit analysis could be compared even if such data was available.

As a result, there is no basis upon which to undertake any form of standardised economy analysis or to conclude on an overall VfM assessment.

Further information about this limitation is included in section 8.3.2 of this report. This includes a specific recommendation on how to address this limitation in similar, particularly crisis-response, funding packages in future.

Instead of a full quanitative VfM analysis, the evaluation takes an alternative approach. Through our contribution analysis, we have examined VfM against five domains of relevance, namely:

- **Economy** – e.g., the value of grants
- **Efficiency** – e.g., ways in which services were delivered and / or adapted.
- **Effectiveness** – e.g., the achievement of outcomes and desired results
- **Equity** – e.g., how widely and fairly the targeted service users were identified and reached
- **Sustainability** – e.g., ways in which grantholder organisations are now more viable and secure than prior to receiving support and how government can support a vibrant, agile sector in the medium to long-term.

Data for these domains was collected through surveys and interviews as part of questions on impact and process. Findings against the five domains are woven into the narrative of the report in the form of 'VfM spotlights'. These spotlights give a qualitative illustration of VfM across a specific domain, but do not seek to provide an overall assessment as to the VfM the funding.

3 VCSE funding package: Process-related findings

3.1 Key findings

The majority of grantholders interviewed found the application process straightforward and proportionate to what they expected. Grantholders became aware of the funding through existing networks. Those without such networks found out by chance, and some organisations may not have found out about it, thus impacting reach.

While most grantholders were satisfied with the speed at which funding decisions were made and how funding was distributed, a minority reported having to wait a month or more to receive approved funds.

Reporting arrangements were also seen as largely proportionate and straightforward, particularly when compared to experiences from previous schemes.

Both grantholders and sector representatives strongly felt that the UK government should place more trust in grantholder organisations and their systems, including around fraud prevention and grantee due diligence arrangements.

Grantholders reported that funding for core costs and flexibility in how funding was used was beneficial as it allowed organisations to address needs and barriers where they arose.

3.2 Introduction

This section provides an overview of the funding streams which comprised the overall funding package. Following this, section 3.4 and 3.5 present findings on the application, administration, monitoring and reporting processes used within the funding package. Primarily, findings are drawn from grantholder interviews and focus group discussions with funding partners and VCSE sector representative group organisations. Although, findings also draw from the documentary analysis conducted in the scoping stage, and from the grantholder survey, and programme-level evaluations.

3.3 About the VCSE funding streams

As illustrated in Table 3:1 and Figure 3:1 below, there are considerable differences across and within the eight funding streams. These include distinct aims and objectives, variations in mechanisms for and levels of funding available, and a focus on different beneficiary groups. For example, in the Winter Loneliness funding stream, one of its sub-funds, the Loneliness Fund extension, made direct grants from DCMS to national charities (e.g., Mind); some of these were in turn broken down into smaller grants by networked organisations to be distributed to their local organisations (e.g.,

local Minds). In another sub-fund within the Winter Loneliness funding stream (Radio Fund), grants were directed through existing Ofcom funding mechanisms (Community Radio Fund and the Audio Content Fund) which, in turn, made grants to other organisations.

The majority of funding streams focused on England only. CMC, BNI, and some OGD funds, however, provided grants to organisations across the UK. Furthermore, devolved administrations received £60m to distribute directly in Scotland, Wales and Northern Ireland.

Figure 3:1 represents funding streams covered in this evaluation. For the eight funding streams excluding the Hospices Fund, the amounts are derived from the 2021 National Audit Office report: "Investigation into government funding to charities during the COVID-19 pandemic". The Hospices Fund amounts are derived from data on payments made to Hospices under Wave 1 of the Hospices Fund programme. It does not include the funding allocated to devolved administrations (£60m). Differences in the figures in Table 3:1 and Figure 3:1 are a result of administration or evaluation costs, or underspends.

Table 3:1 Funding stream summaries

Funding stream	Funding partners	Grant value	Beneficiary groups	Grant details
Big Night In (BNI)	Children in Need (CiN); Comic Relief (CR); National Emergencies Trust (NET)	£37m	Vulnerable and marginalised children including people requiring mental health support and people who are homeless or facing insecure housing.	• The funds were made up of government match funding of public donations. • CiN awarded 600 grants, CR dispersed funding through two streams which either invested in local and national charities or made onward grants, and NET awarded grant through 46 community funds.
Community Match Challenge (CMC)	Absolute Return for Kids (Ark); Charities Aid Foundation; Children in Need, Comic Relief; Founders Pledge; Global Charities, Greggs Foundation; Lloyds Bank Foundation; Localgiving Foundation; Pears Foundation; Rank Foundation; Smallwood Trust, Stefanou Foundation; Steve Morgan Foundation; The Church Revitalisation Trust; The Coalfields Regeneration Trust; The Henry Smith Charity; The OnSide Foundation; The Vardy Foundation; UKCF	£84.6m	Older people, disabled people, children and young people, carers, low income families, the homeless, victims of domestic abuse and people with learning disabilities.	• The funds were distributed by 20 charity funding partners and successful grantholder organisations had to demonstrate that they could match the value of the grant sought from the funding package. • The majority of sub-funds provided grants across the whole of either England or the UK, to both local and national organisations.
Coronavirus Community Support Fund (CCSF)	The National Lottery Community Fund (NLCF)	£199m	People with a longstanding illness or disability, mental health conditions, children and young people, people facing financial hardship, older people, BAME communities, carers, and people at greater risk of domestic abuse.	• 8,247 grants were made directly by NLCF via existing products: simple (grants up to £10k) and standard (grants over £10k).
Hospices Fund	Hospice UK; NHS England and Improvement	£155.8m	Individuals of all ages requiring end of life care.	• During the period April to July 2020, Hospice UK had allocated funding to 163 hospice organisations.
Other government department (OGD)	Department for Business, Energy and Industrial Strategy (BEIS); DCMS; Department for Environment, Food and Rural Affairs (DEFRA); Department for Education (DfE); Home Office; Ministry of Housing, Communities & Local Government (HCLG); Ministry of Defence (MoD); Ministry of Justice (MoJ).	£162.8m	People in financial hardship; children and young people and their families, foster and adoptive families, and care leavers; domestic abuse victims and their children; homeless people; armed forces communities; people experiencing mental and physical health challenges.	• This funding stream distributed funds across a total of 24 sub-funds. • Funds were allocated either directly, through an intermediary or establishing a dedicated fund to act as grant-maker.
VCS Emergency Programme	British Red Cross (BRC) and National Association for Voluntary Community Action (NAVCA)	£4.8m	People impacted by emergencies.	• Distributed funds through 200 local partner organisations and 30 national partner organisations.
Winter Loneliness Fund	Audio Content Fund; Arts Council England; DCMS; Ofcom	£7.5m	People at most risk of loneliness, physical or mental health conditions, carers, vulnerable mothers, serving and ex-service personnel and their families, and older adults.	• Funds were distributed through three existing schemes and nine grantholder organisations. • This fund built on previous funding which was announced in December 2020 to reduce social isolation through small grants to small charities.
Youth Covid-19 Support Fund (YCSF)	DCMS	£16.5m	Young people in England, aged between 5 and 19 years.	• This was a new fund which made 551 awards, through its grant delivery partner PricewaterhouseCoopers (PwC), to a mix of grassroots youth clubs, uniformed youth groups, and national youth and umbrella organisations.
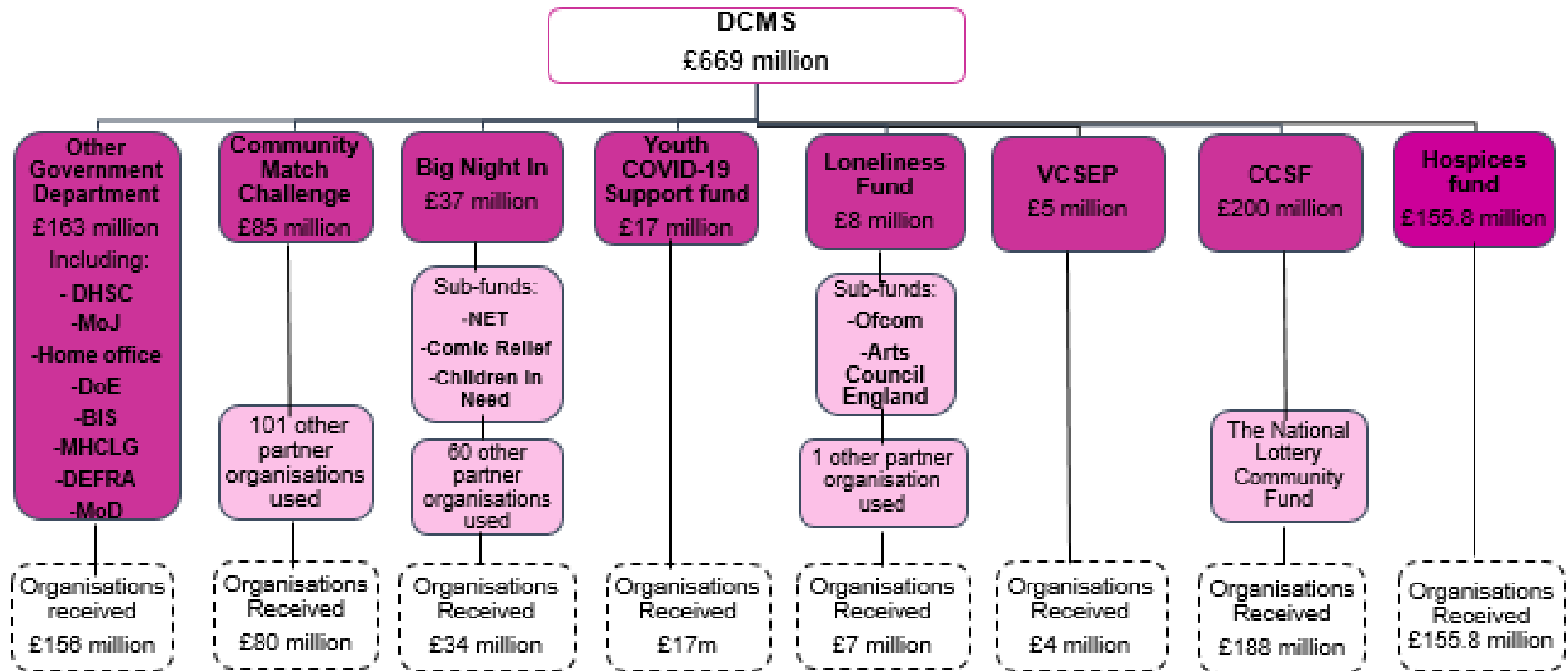
By introducing match funding requirements to the BNI and CMC funding streams, the government was able to leverage more money to support grantholders. In total, this additional funding amounted to over £100m. The CMC in particular allowed the government to engage and work with funders that it had not worked with before. This led to a more diverse range of funding sources being available for grantholders.

3.4   Application process

In interviews and focus group discussions, we asked grantholder staff and funding stream leads a number of questions about their experience of the application process. This included how they initially found out about the scheme, applying for funds, and adhering to subsequent monitoring and reporting processes. This aspect of the evaluation is a critical learning opportunity in terms of examining the appropriate balance between capturing the necessary information and data, while remaining proportionate to the emergency context that applicants were facing.

3.4.1 Awareness of the VCSE funding package

Interviews suggested that the main route through which grantholders became aware of the scheme was via existing networks or through direct approaches by a funding partner. A similar experience also emerged from some case studies, with participants explaining that their existing relationship with the funding organisation was essential in making them aware of available opportunities.

> *"We knew that the funding was coming, it was just down to negotiations about how much... So, when that funding became available we already knew what we would apply for."* (Case study strategic staff, OGD grantholder)

Value for Money: Equity spotlight – Awareness of funding

An important theme emerging from grantholders was that the **funding opportunity should have been communicated more widely to improve awareness and reach**. For these grantholders, it seemed that without the right sector or funder relationships, the opportunity may not have been as accessible, thereby posing the risk that some organisations would not receive the support they needed. As an illustration, one CMC recipient noted:

> *"How would we have known if we did not already have a pre-existing relationship with 'intermediary'. The funding didn't have any visibility, so how could we have accessed the funding otherwise? Felt like an insider contract, many of which have been criticised in the press recently, this felt the equivalent to that."* (CMC grantholder)

Even one of the organisations that distributed the funding as a funding stream partner noted this as a risk:

> *"If you are not part of 'friends club' how do you access it, it is a big risk. You need to know the right people and put in a good application. But if you don't know the right people, can you get it as easily?"* (CMC grantholder)

Some grantholders reported that they could easily have missed the funding opportunity altogether if they had missed an email or not attended a particular meeting. This theme emerged only from organisations who received the grant through the CMC or from OGDs. Organisations that benefitted from direct contact from funding partners acknowledged their advantage of having these existing links but felt that this process was not open or fair to others who did not. Illustrating this, one OGD grantholder stressed that they *"were lucky that we had a useful link; some charities won't have that – it really wasn't fair to all charities."*

3.4.2 Applying for funding

Grantholders' perspectives

Application process

Overall, grantholders who responded to the survey found the funding application process straightforward and proportionate in an emergency context. Just over three-quarters (76%) of the grantholders reported that they found the process of applying for funding either very (28%) or fairly (48%) easy. In the interviews, grantholders reported it was largely in line with their expectations and proportionate to the amount of funding they applied for. They tended to compare the process favourably to other experiences of applying for funding:

> *"This was much easier than expected, it was streamlined."* (OGD grantholder)

Similarly, among CCSF grantholders, 72% rated the application process as either very or fairly easy. Satisfaction rates with the process were even higher among CCSF grantholders, with 81% reporting they were satisfied with their experience.[14]

Among non-CCSF grantholders only a small proportion (8%) of grantholder organisations found the application process fairly or very difficult. The most common reason for finding the application process difficult was the extent or type of documentation required (72%), followed by unclear instructions (22%) and limiting selection criteria (15%). A small proportion of grantholders (7%) reported communication issues with the funder as a reason for finding the application process difficult.

Small organisations with between zero and one staff members (no paid staff or volunteer-led organisations) were more likely to have found the application process difficult, reported by 12% compared to between 5-6% in larger organisations. Small charities were more likely to find the timeliness around the application process challenging as they often had less capacity to make applications alongside delivering services, in comparison to larger charities:

> *"There was too short a delivery time. To do something well you need time. But there were needs in the community that we needed to address. The timeline was a lot of pressure, but we decided it was better to do something than nothing."* (Winter Loneliness grantholder)

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[14] Ipsos MORI (2021). Process Evaluation of the Coronavirus Community Support Fund (CCSF). Final Report. [Accessed 26/01/2022].

Some grantholders felt that it was not clear how much funding would be available,[15] nor did they have a clear understanding of how long it would take them to receive the funding:

> *"Nobody knew how much money it was going to be, the goalposts kept changing"* (OGD grantholder)

For some grantholders the funding application was done on their behalf, either by local councils or larger funders. When applying directly to a funding stream lead, an additional benefit identified was support from the funder to complete application forms, which made the process easier.

One aspect of the application that grantholders found particularly useful was the flexibility around what the funding could be used for, and the ability for projects to identify and report against their own outcomes. Grantholders appreciated the ability to apply for core costs to be covered, allowing them to continue to deliver key services instead of the need to submit new project ideas.

> *"Funders are usually very prescriptive and it's usually for a particular project. During Covid there was no blueprint and we had to feel our way through, so it was helpful when the funder just gave us a pot of funding to use in line with Covid […]. The option of spending where we wanted to do was great."* (CMC grantholder)

Speed of decision making

Generally, grantholders felt that the speed with which decisions were made and funding allocated was good. This was especially the case where grantholders had pre-existing relationships with the funder. Decisions were often communicated within weeks, and the funding was available within a few months.

The evaluation of the CCSF also found high levels of satisfaction with the speed at which award decisions were made, where it took around two months to make award decisions and another nine days to distribute the funding.[16] The funding through DCMS VCSE funding streams, in particular through Children in Need (BNI), was noted by grantholders as being quicker than other Covid-19 emergency funding.

Role of funding stream partners

Grantholders noted some inefficiencies due to the complexities of the multiple funding streams, whereby some received multiple grants from different funding steams or sub-funds. Some grantholders felt that if grants had been consolidated into one single payment this could have resulted in more effective project planning and use of funds. This theme was most prevalent among CMC grantholders.

> *"For me it hasn't worked well that government funding to support the voluntary and charities sector was split up into so many different portions, the Big Lottery, The Rank Foundation, Community Foundations etc. There are a lot of people distributing, I think it will be done better centrally, rationalise systems, make applications easier. We got funding from 9 different Covid funds, 4 of which were government*

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[15] The Chancellor's announcement on 8th April 2020, for instance, noted that "£370m for smaller charities, including through a grant to the National Lottery Community Fund" would be available. The National Lottery Community Fund's announcement of the actual fund, which amounted to £200m, was made on 20th May 2020, with applications opening on 22nd Mat 2020. Concurrently, the government published further information on the funding package, which was subsequently regularly updated (the last update having been made on 10th March 2022). Updates made included announcing the Vulnerable Children National Charities Strategic Relief Fund on 17th July 2020 and the Community Match Challenge on 20th July 2020.
[16] Ipsos MORI (2021). Process Evaluation of the Coronavirus Community Support Fund (CCSF). Final Report. [Accessed 26/01/2022].

*funds, and 5 of which were not, they were all spent on different things, in
different ways, over different timescales, it would be made so much
easier if it was delivered by a singular body."* (CMC grantholder)

One of the longer-term benefits of applying for a grant under the funding package
included improved relationships with funders. This often resulted in grantholders being
kept better informed about future funding opportunities, including additional offers of
grant funding. As an illustration, one grantholder who received a small BNI grant for the
first time was able to establish new relationships, make the case for further funding and
demonstrate the value of their intervention, which contributed to securing a 3-year
contract for related funding.

Funding stream leads' perspectives

Application process

The general consensus among funding stream leads was that the application process
was generally straightforward, and that others could learn from the process. Several
organisations were first-time grant makers, commenting that they learned a lot from the
process and were planning to build on this for their own subsequent grant making. The
responsive and supportive nature of the Civil Society and Youth (CSY) directorate
within DCMS throughout the application process was highlighted as a positive
contributing factor in this process.

Despite the generally positive views, some constructive criticism arose from funding
stream leads. This included not knowing when the funding would be available, via
which department, or what the deadline for spending the funds would be. Several fund
leads had initially understood the deadline of 31 March 2021 to be the date by which
they needed to finish their onward grant making. For some, it only became apparent
that the funds also needed to be spent and outcomes evidenced by that date later in
the application process. Information around what was eligible spending and if funds
could be backdated were also given as examples of where communication could have
been clearer.

📢   **Value for Money: Effectiveness spotlight – Spending deadlines**

Some organisations felt that the requirement of spending their grant by 31 March
2021 limited the potential usefulness of the funding. There were examples from the
grantholder interviews where they had larger capital spend towards the end of the
financial year *"to get money out of the door",* which could have been spent more
wisely on investing better in future service delivery: "*Longer term funding would be
beneficial to ensure that projects are sustainable*" (OGD grantholder)

Contracting and other processes

Funding leads felt that the contracting process between themselves and DCMS was
time consuming. One theme that emerged with regard to the contract itself was that it
required significant adjustments before funding leads could agree to it. Terms included
in the contracts were often seen as not standard terms for grantmaking purposes.
Therefore, significant time and investment went into bringing in legal teams to support
and advise. Respondents suggested a more favourable approach of discussing and

agreeing core terms with funders ahead of final contracts being drawn up as a means of reaching a consensus and saving time, particularly in an emergency response context.

Another theme highlighted by funding stream leads was the inflexibility of certain processes. The lockdown situation during the pandemic was fluid, this had an effect on grantholder organisations' ability to deliver services; and DCMS maintained the same end date for which the funding had to be spent (i.e. by end of March 2021). It was felt there was limited flexibility around underspends, even where there were delays in releasing the funds, and that the level of effort needed to apply the principle for underspends was not proportionate for smaller grants.

There was also felt to be a lack of flexibility around the processes for fraud compliance. Government interviewees noted that fraud prevention processes are important as international estimates indicate that public bodies lose between 0.5% and 5% of their funding per year to known fraud and related losses. This can impact the achievement of government outcomes.[17] However, funding stream leads highlighted there was an insistence on using "Spotlight" (government's online automated due-diligence tool) for compliance purposes, despite this not being viewed as appropriate for the types of grantholder organisations in question, many of whom were well known to the funders. Funding stream leads felt the requirements they were expected to apply to these organisations were not proportionate or in line with their own established and tested processes. They also felt that the checks that were in place were not the most appropriate for the types of smaller organisations that funders were working with:

> *"It required the organisation receiving funds to have an internal audit which complied with international regulations. That may be appropriate when working with a big public sector type of contract but it's not appropriate for small / medium type charities to whom this fund was aimed."* (Funding stream lead)

Relationship between funding stream leads and grantholders
It was common for funding stream leads to use their existing networks to identify eligible grantholders to disperse funds quickly and with confidence that grantholders would be able to spend funds by the stipulated deadline. This was felt to be key to reaching smaller community groups, as funding stream leads had established links with these smaller and more locally-led organisations.

There was a consistent view among funding stream leads that they had established grantmaking and compliance systems in place that had been sucessfully implemented over many years. As such, they felt that the government should trust that the processes they have in place are proportionate and effective. Adding additional checks, slowed down the pace at which onward grants could have been made within an already tight timeframe for spending.

Mirroring grantholder comments, funding leads also noted that the flexibility around what funding could be used for, and the ability for projects to select their own outcomes was highly welcome. It meant that grantholders were in a position to respond to needs where they arose. Funding stream leads felt that this level of flexibility enabled and empowered grantholder organisations to deliver what was needed on the ground and would most benefit service users. This was in contrast to designing new projects or interventions that met a limited set of outcomes determined by the funder. In some

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[17] International Public Sector Fraud Forum (2020). Guide to Understanding the Total Impact of Fraud. [Accessed 23/03/2022]. For DCMS, the loss to detected fraud in 2019/20 was £0.3m (see: Government Counter Fraud Function (2021). Cross-Government Fraud Landscape Bulletin 2019-20. 2609-Executive-Summary-Fraud-Landscape-Bulletin-V7.pdf [Accessed 23/03/2022].

cases, this approach led to increased innovation in how funds were spent. Examples included the use of digital technologies in reaching service users or expanding the reach to new groups of service users:

> *"What the fund did do is meet need and affirm us in what we were doing. We have been able to be flexible which has been key responding to the pandemic and the uncertainty this has created."* (CMC grantholder)

> *"We saw a whole new client group, many under 30. They were happy to use the digital channels, this did allow us to reach a lot of new clients."* (OGD grantholder)

3.5   Administration and monitoring

3.5.1 Reporting to funders

Grantholders' perspectives

Reporting requirements
Generally, grantholders felt that the reporting requirements were proportionate. Monthly or final reports were more common among those interviewed than a mix of final and more regular reports. In some cases, reporting was used as a means of saying 'thank you' and grantholders were keen to include quotes from service users. However, some found the reporting timelines to be inflexible at times, particularly smaller organisations. There was generally an expectation for outcome reporting to begin from the first month of funding, when in many cases activities had only just begun. The monthly reporting was also seen as too frequent and burdensome. Quarterly reporting was more in line with other reporting requirements that they were familiar with:

> *"This reporting process wasn't too excessive, but the process could have been improved in terms of flexibility of deadlines. With unexpected outcomes, especially during the pandemic, we cannot always meet deadlines and more flexibility should be allowed to consider for this. As many in our organisation have to wear many hats, dealing with lots of different work on a small budget we have little time to be completing reporting documents."* (OGD grantholder)

Some grantholders flagged that although they provided regular reporting on their data and outcomes, they never received any feedback on this or how the information was being used. This would have been appreciated due to the effort put in to provide the data.

Spending deadlines
The requirement to have all funds spent by the 31 March 2021 deadline was raised as an issue by grantholders, just as it was by funding stream leads. It was felt the deadline was too short and prescriptive, and some flexibility could have been offered to spend a small proportion of funds after this deadline, without the need to hand back unused funds. In some instances, it was felt this went against the principle of responsible closure. Some were able to support grantholders by providing additional funding or restructuring the match element of funding under the CMC funding stream to be used beyond the deadline:

> *"There was too short a delivery time. To do something well you need time. But there were needs in the community that we needed to address. The timeline was a lot of pressure, but we decided it was better to do something than nothing. I believe they should extend timelines. There are serious social issues that we are addressing (which) require more time."* (Winter Loneliness grantholder)

Funding stream lead perspectives

Funding stream leads highlighted that reporting requirements were not always clear from the very start of the application process and were unsuitable for smaller organisations. It was felt that DCMS had little interest in seeing the monitoring information already held or collected by funding partners. An example was provided of some smaller grassroots organisations who dropped out from applying when reporting requirements were made clear, as they could not provide this level of information. Feedback from funding stream leads suggested that they tailored reporting requirements for their own purposes and tried to make the requirements less burdensome on grantholders where possible. There was also a sense that the nature of crisis funding was such that funders should leave organisations to get on with things once funding is provided.

DCMS aimed to make funding applications and reporting requirements as straightforward and focused as possible. This aim took account of the emergency context of funding in which it was important for grantholders to focus on service delivery rather than on administration of grants.

Lessons learned / key points of feedback from sector representatives, funding stream leads and grantholders

Understanding the role and value of the sector
A key theme highlighted by funding stream leads, grantholders, and sector representatives was the need for the government to better understand the role and value of the sector. For example, it was felt that there was a lack of understanding that the VCSE sector provided a substantial proportion of vital public services that helped the government with their delivery needs, e.g., provision of bed capacity through hospices or public health advice. However, throughout the funding process they felt the expectation was for the sector to feel grateful for the package of support they received and asked the question of:

> *"whether the government would expect the NHS to be grateful for the funds they received."* (Sector representative)

Placing trust in the sector
Funding stream leads and sector representatives also highlighted their desire for the government to place more trust in the sector. This included trust in the systems that funding partners had in place for grantmaking and delivery as well as trust in the data being reported back. Additional systems of checks were seen as unduly time consuming at times, with organisations having to invest additional resource to support third parties to apply these additional processes. It was expressed by both funding leads and sector representatives that the VCSE sector was, in their view, treated differently than the private sector. Schemes aimed at businesses were perceived as being delivered faster, with fewer checks and requirements to show accountability for how funds were spent and to what benefit. This was related to feelings of not being trusted or valued by the government. Sector representatives also noted that devolved

administrations had done more in the years prior to the pandemic to support the development and maintenance of sector infrastructure. In particular, this was raised in relation to Wales and Scotland. In the case of the former, a volunteering website already existed, and Welsh government and sector representatives had established ways of working and communications with a range of sector representative groups. In Scotland, senior civil servants and government ministers meet on a regular basis with third sector representatives. This helps to build and maintain relationships, which were viewed to have been of benefit in dispersing emergency funds quickly and in a targeted way.

The role of local government
One further suggestion that came out from grantholder interviews was for government to consider the possibility of providing funding through local government. It was felt that local government had in-depth knowledge of local organisations and could be in a better position to identify and support these organisations to apply for funding. In some cases, grantholders reported that their local authority had applied for the funding on their behalf and this was hugely appreciated.

 Value for Money: Sustainability spotlight – Longer term funding

Among the themes that grantholders suggested for future support from government, more sustainable funding was the most prevalent. Grantholders tended to explicitly link this to the sustainability of what they do (e.g., "*Longer term funding would be beneficial to ensure that projects are sustainable*" (OGD grantholder)) demonstrating that needs continued after the funding ended. Another theme that grantholders highlighted was the desire for the government to recognise the value of the VCSE sector through either recognition or trust. To illustrate this, a grantholder pointed out that the government "*need to recognise that charities are doing lots of work that the government should be doing, and cheaper, they deserve recognition for it*" (BNI grantholder). On the other hand, a small minority of grantholders felt that the government could not have responded any better to the VCSE sector.

> *"They [UK government] got it 100% right with what they did and how they did it. You can't sustain every organisation."* (CMC Grantholder)

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4 Impact on grantholders and staff

4.1 Key findings

The main uses to which grantholders allocated funding were: continuing existing services (64% of survey respondents), meeting increased demand for existing services (45%), adapting services (64%), and adding new services (38%). In total, 93% of survey respondents used the funding to continue, increase, adapt or add new services. Over half of grantholders used the funding to either maintain or increase their staffing levels during the pandemic.

The funding helped grantholders deal with a shortfall in income. Without the funding, over 60% of grantholders said their income would have fallen significantly or a little during the pandemic. With the funding, only 38% reported a significant or small fall taking place.

The funding allowed grantholders to either increase or maintain their level of services to people and communities in need during the pandemic. With the funding, 82% of grantholders said they increased or maintained the level of services. Without the funding, 92% of grantholders would have had to reduce the level of services offered.

Around two-thirds of grantholders adapted the way they delivered their services during the pandemic, mostly by moving them online to be delivered remotely.

4.2 Introduction

This section discusses how the funding was used by, and its impact on, recipient organisations. It describes briefly what type of organisations received the funding and provides a summary of the different sectors they were active in – showing a particular focus on mental health, loneliness, social connection and wellbeing.

The funding's impact on grantholder organisations is assessed in terms of how far the evidence collected supports the following three contribution statements:

- **Contribution statement 1:** The VCSE funding package contributed to grantholders' financial position;

- **Contribution statement 2:** The VCSE funding package supported grantholder organisations to continue and / or expand core services in order to meet the increase and / or change in demand during Covid-19, through a) mobilising, recruiting and training volunteers and / or staff, and b) increasing coordination and collaborations between organisations; and

- **Contribution statement 3:** The VCSE funding package contributed to grantholders' ability to adapt and / or innovate delivery models to provide services and reach existing and / or new service users.

The strength of evidence is assessed in each of these areas, drawing on findings from across the different streams of primary data collection (i.e., grantholder organisation survey, grantholder interviews, case study interview data), and triangulating these with data collected by evaluations of sub-funds such as the CCSF.

Unless otherwise specified, all survey findings reported throughout this report refer to the results from the survey of the seven funding streams **excluding** the CCSF stream. These grantholders were evaluated separately, and while comparable data was collected wherever possible, findings for this stream are presented separately.

4.3 Organisations funded through the VCSE sector support package

Grants were most commonly made to smaller organisations in receipt of smaller funding amounts (of less than £10,000), although there were some large charities receiving substantial grant amounts.

To estimate the size of grantholder organisations, respondents were asked how many staff members they had before the pandemic began:

- One-fifth (20%) of grantholders reported they had either no staff or one staff member(i.e., they were entirely run by volunteers);

- 33% that they had 2 – 5 staff members;

- 39% they had between 6 – 50 staff members; and

- 9% that they had over 51 staff members.

This skew towards small organisations can also be seen by grant amount, where smaller grant amounts predominated. Nearly two-thirds (64%) of organisations received between £1-£10,000, while a further 26% received a grant of £10,000-£50,000. Larger grants were reported by only around 10% of grantholders (Figure 4:1).

Figure 4:1   Value of grants made to VCSE grantholders
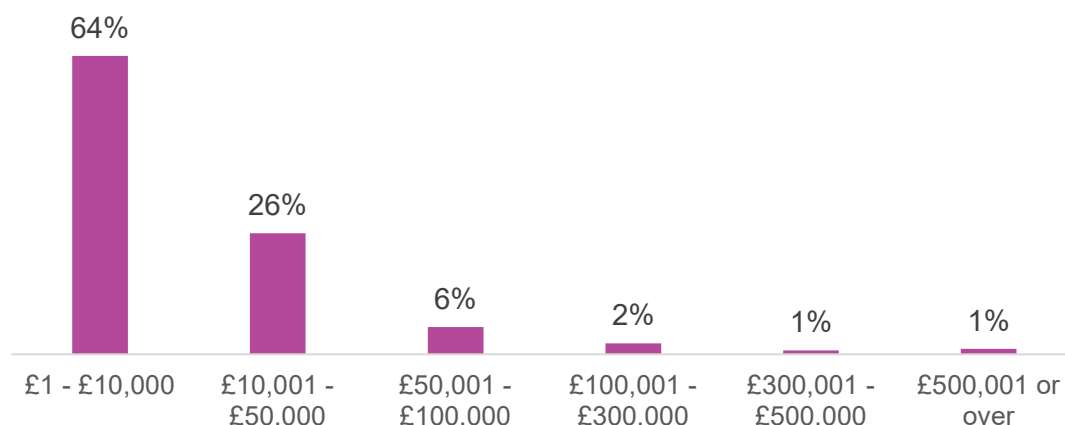
Base: all grantholders (2,592).

All grantholders except for those in the Hospices funding stream were asked what services they provided using the funding package. Hospice grantholders were not asked this question as they were all funded to make their existing hospice care available to (non-Covid-19) patients discharged from the NHS. This consisted of either bed care provided in hospices or care delivered in the community.

Among other funding streams, funded organisations delivered services and activities across a wide range of needs, and around two-thirds (68%) provided multiple services. For example, one BNI grantholder ran shopping, prescriptions and pick up services alongside a one-to-one walking scheme and doorstop chats for those shielding.

Another grantholder, who received money under the YCSF, provided food, Christmas toys and gifts, sports equipment and childcare for frontline staff, alongside advice and support for service users applying for state benefits. This reflects the funding's success in reaching a broad base of VCSE sector organisations, working in a diverse number of areas.

As Figure 4:2 below shows, the most common activities reported were:

- **Activities seeking to tackle loneliness** and **encourage social connections**, delivered by 59% of grantholders. The interviews and case studies found a range of different activities delivered in this area, including befriending services and group creative activities, as well as a radio show that aimed to connect listeners with an online running community.

- **Activities targeted at mental health**,delivered by 38% of grantholders. For example, one CMC grantholder used the funding to provide wellbeing and counselling services for vulnerable young people, including unlimited one-to-one counselling sessions and group wellbeing walks. Another organisation, that received funding under the BNI funding stream and provides services to children with autism, used the grant to deliver activity packs to service users and to organise meet-ups and mental awareness courses in safe conditions.

- **Activities providing information and advice**, delivered by 44% of grantholders. Some of the organisations included in the case studies, for example, provided support to others by helping to navigate the rapidly changing regulatory landscape caused by the Covid-19 pandemic. This kind of support allowed recipients to save time and resources that could then be reallocated to other activities.

Other important areas included:

- Improving **digital access**, reported by 28% of grantholders (including 7% of grantholders who targeted this type of support towards people with disabilities). This included in some cases providing service users with devices to allow them to get online.

- Nearly one-quarter (24%) provided **education-related services or support.** This included activities such as training and supporting teachers, providing equipment to students and schools so they could work remotely, developing digital resources and curriculums to be delivered remotely, and providing tuition services.

- 23% provided support focused on **material deprivation**, which included a range of different forms of support, including: providing **food** (83%), **toiletries and hygiene products** (66%), and **household items** (54%). A significant minority offered **clothing** (38%) and **direct financial aid** (31%), while another 15% supported people with **accommodation issues**.

- 13% of grantholders delivered support to people with urgent needs. The vast majority of these organisations (80%) supported people with issues around **domestic abuse**, nearly one-third worked on issues of **child abuse** (31%) and **hate crime** (30%), and 23% supported victims of **modern slavery**.

Less commonly delivered were care services excluding childcare (delivered by 11% of grantholders), youth or extra-curricular activities (10%),[18] childcare (3%) and medical care (2%).

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[18] Youth or extra-curricular activities for children was not identified as a central area for the funding package during the scoping phase of the evaluation, and so was not included as an answer option in the survey of grantholders. However, it emerged strongly as a category in open text responses, and has been included in this list as a result. As a result, this figure (10%) is likely an underestimate.

Figure 4:2   Proportion of grantholders delivering specified activities through the funding package
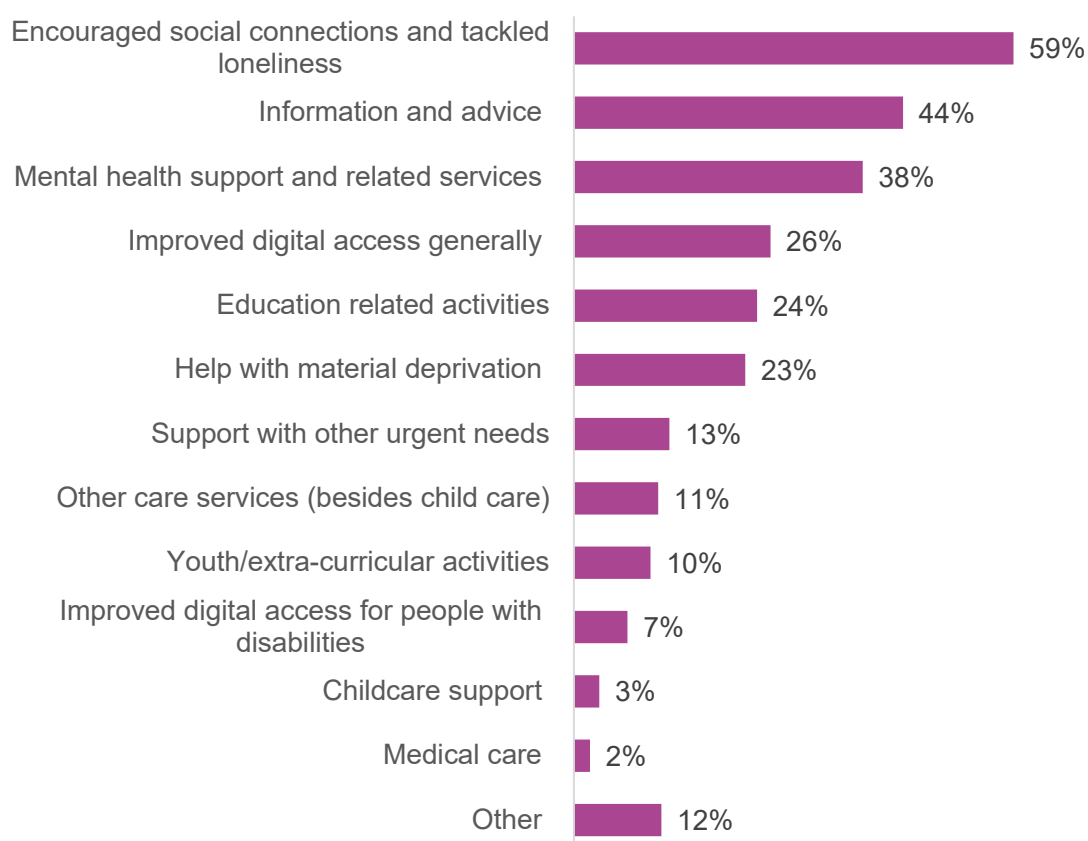
Base: all grantholders excluding the Hospices Fund (2,498).
Note: respondents could choose more than one option, so totals do not equal 100%.

The funding also reached organisations whose work was targeted towards issues caused by or related to the Covid-19 pandemic, and for the vast majority at least some of their work related to the pandemic (94%). One-fifth (19%) of grantholders reported that all of their work was dealing with pandemic related issues, 43% that a great deal of it was, and 33% that some of it was. Only 4% answered that very little of their work related to pandemic related issues and 2% that none of it did.

4.3.1 How did the focus of funding streams differ?

Where base size was sufficient, services and activities delivered as a direct result of the funding were also compared by funding stream (see Figure 4:3 below): These comparisons are being made against all funding streams asked about their activities in the grantholder survey, which excludes CCSF and Hospices funding streams.

- The **BNI** funding stream aimed to support families and communities to meet the needs of young children, women and girls, people requiring mental health support and people facing insecure housing. Compared with all grantholders, those in the BNI funding stream were more likely to have delivered information and advice services (54% compared with 44%), mental health support and related services (48% compared with 38%), help with material deprivation (30% compared with 23%) or services which encouraged social connections and tackled loneliness (66% compared with 59%). Grantholders in the BNI stream were less likely to report delivering education related activities (19% compared with 24% of grantholders).

- The **CMC** funding stream aimed to support a wide range of people in need, including children and young people, low-income families, older people and people with disabilities. Grantholders in the CMC funding stream reported delivering very similar services when compared with all grantholders. This reflects the broad nature of this funding stream.

- The **OGD** fund also aimed to address the needs of a wide range of people: including, people in financial hardship, children and families, foster and adoptive families, and care leavers, victims of domestic abuse, homeless people, and armed forces communities. Compared with all grantholders, those in the OGD stream were much more likely to deliver information and advice services (74% compared with 44%). OGD grantholders were also more likely to report delivering services to improve digital access generally (44% compared with 26%), supporting other urgent needs (29% compared with 13%), delivering mental health support and related services (53% compared with 38%) and helping with material deprivation (35% compared with 23%).

- The **YCSF** aimed to enable youth organisations to continue operating during the pandemic, with a particular focus on organisations with a high impact which were at risk of closing. Grantholders in the YCSF stream were much more likely to report delivering youth or extra-curricular activities when compared with all grantholders (35% compared with 10%).[19] They were much less likely to report delivering information and advice services (15% compared with 44%) or mental health support and related services (13% compared with 38%). They were also less likely to report delivering services which helped with material deprivation (5% compared with 23%), services to improve digital access generally (14% compared to 26%) or support with other urgent needs (2% compared with 13%).

[19] Youth or extra-curricular activities for children was not identified as a central area for the funding package during the scoping phase of the evaluation, and so was not included as an answer option in gthe survey of grantholders. However, it emerged strongly as a category in open text responses, and has been included in this list as a result. As a result, this figure (35%) is likely an underestimate.
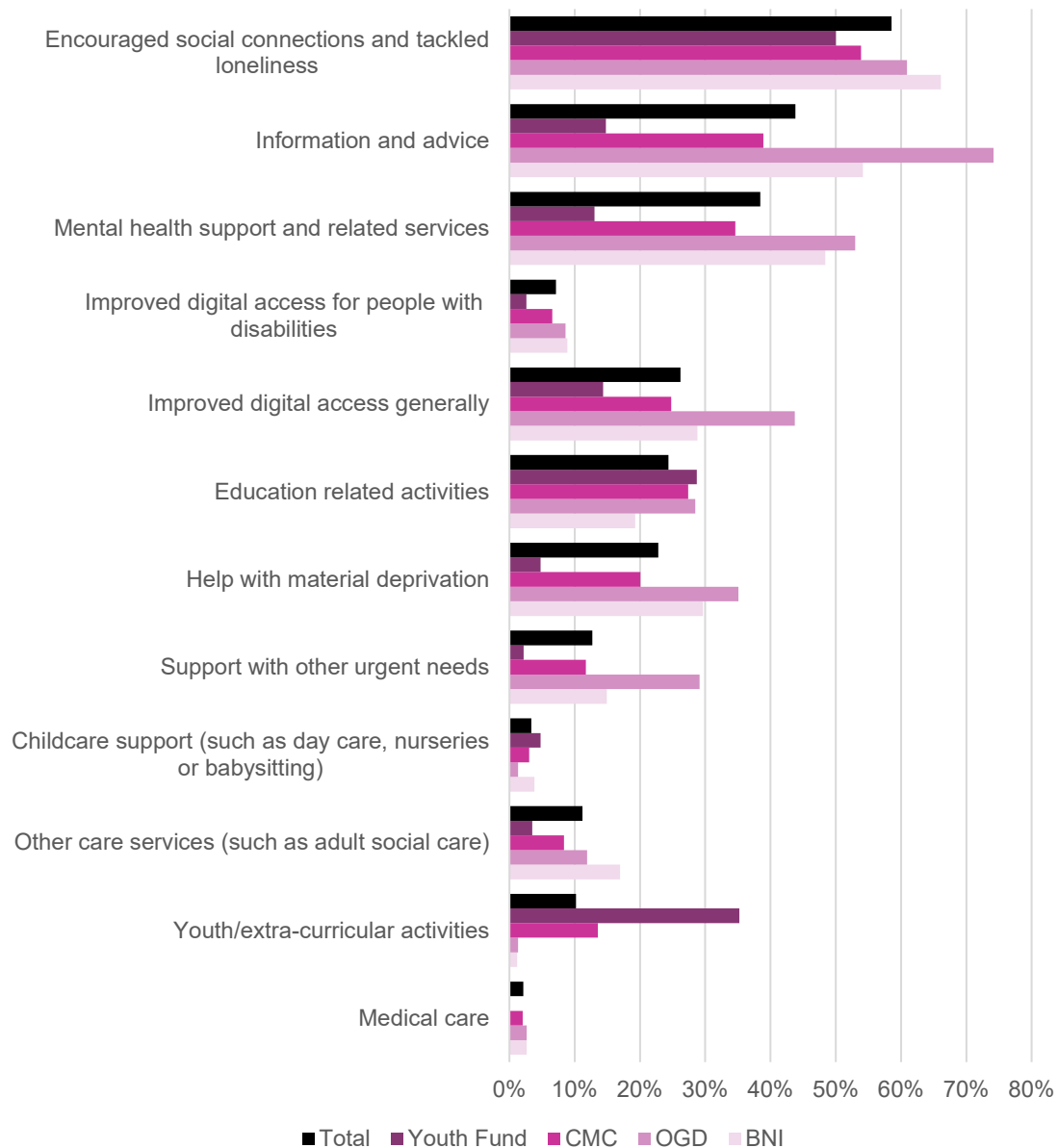
Base: all grantholders excluding the Hospices Fund (2,498).
Note: respondents could choose more than one option, so totals do not equal 100%.

4.4   Contribution to grantholders' financial position

Contribution statement 1: VCSE funding package contributed to grantholders' <u>financial position</u> during the Covid-19 pandemic.

The first area that the funding package was intended to have an impact for grantholder organisations was on their **financial position during the pandemic**, allowing them to avoid closure and continue to support communities in need. Grantholders were asked a multicoded question about how they used the funding to support their organisation.

Nearly two-thirds (64%) stated that the package's support was used to ensure that they had enough funding to continue delivering pre-pandemic services during Covid-19.

This was a central aim of the funding package because of the fall in income experienced by many VCSE sector organisations early in the pandemic and the increase in demand for their services which accompanied it. This loss of income was clearly reflected by grantholders' survey responses. When asked how their annual turnover would have changed without the VCSE funding they received:

- 38% said it would have fallen substantially;
- 21% that it would have fallen a little;
- 17% that their income would not have changed;
- 16% that it would have increased slightly; and
- 4% that it would have risen substantially.

The response by some grantholders that their income would have risen without the VCSE funding package should be seen in the context of being asked about this from the vantage point of late 2021. If they had been asked what they expected to happen in early 2020, their responses may have been different. For example, they were able to take into account other sources of grant funding, which over three-quarters (77%) of grantholders reported they had successfully applied for during the pandemic.

This fall in annual income for many grantholders also came at a time of increased demand for existing services, the setting up of new services, and adaptation of delivery models which were required during the pandemic. This was evidenced by Nottingham Trent University's monthly barometer survey of VCSE organisations, set up in September 2020 in response to the pandemic. The December 2021 survey showed that 57% of its respondents had experienced an increase in demand for their services over the last month, and this was a continuation of a longer running trend over the pandemic.[20] The challenges that these organisations were facing were unprecedented, such as navigating ways to address the most challenging issues facing communities across the country amid restrictions.

In the interviews, grantholders described using the funding to cover core operational costs. Many included staff salaries in their core costs, but others highlighted covering the cost of rent, broadband or heating and utilities:

> *"Money was used for rent, energy, water, telephone and broadband bills. It covered 6 months operating expenses".* (Winter Loneliness grantholder)

Similarly, some of the case study organisations reported that the funding enabled them to avoid reducing their operations, shutting down the organisation or making redundancies:

> "*Without the funding we would have been in a very different situation... We would have had to massively reduce our operations. Without that funding we would have had to spend a lot of time and energy chasing smaller pots of funding. Instead that time went into strategic thinking and delivery of services.*" (Case study strategic staff, CMC grantholder)

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[20] Nottingham Trent University and Sheffield Hallam University (2021). Respond, recover, reset: the voluntary sector and COVID-19. December 2021. [Accessed 17/02/2022]. It should be noted the response rate to this survey varied (from 236 to 710) in different months that it was run, so its accuracy over the pandemic will have varied.

As shown in Figure 4:4 below, once the contribution of the funding package is considered, grantholders responding to the survey reported a more positive outlook. The proportion whose income fell substantially (taking into account the emergency funding received) was 17%, with another 21% reporting their income fell a little. The proportion who reported their income had not changed remained fairly steady at 15%, while the share whose income rose a little increased to 29%, with 15% reporting their income increased substantially.

Change in grantholder income with or without VCSE sector funding
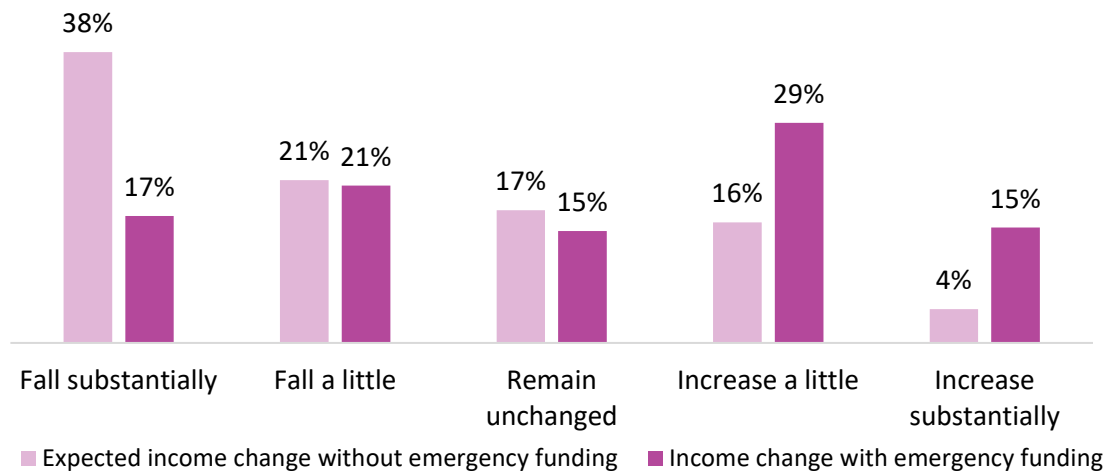
Base: all grantholders (2,551); Base: all grantholders who gave a response when asked if annual turnover had changed since the pandemic (2,447). Note: totals are 96% and 97% respectively, 'Don't know' and 'Prefer not to say' responses are not shown.

Value for Money: Effectiveness spotlight – Financial health

In interviews and case studies, grantholders spoke about using the funding to address liquidity issues. This was the case across the different funding streams and regardless of the size of funding they received. Some grantholder organisations explicitly said that **they would have had to close down if they had not received the funding.** To illustrate this, one stated that *"we'd have been gone – no doubt. It's as stark as that"* (CMC grantholder).

For others, the impact would have been less severe, with grantholders noting that they would have had to draw upon reserves or reduced their staffing levels. But this would have led to a reduction in the services offered to communities, for example:

> *"We would have had to find a way of rationing the programme out."*
> (Case study strategic staff, CMC grantholder)

In some cases, grantholders also noted that the funding enabled staff to focus their energies on providing or expanding services:

> *"We didn't have to focus on resources as much, we could focus on getting the job done."* (Case study strategic staff, CMC grantholder)

Figure 4:5 below shows the impact of the funding among the 64% of organisations which said they used it to ensure they had the income needed to continue operating. Nearly half (46%) said their financial health during the pandemic had been helped "a great deal" by the VCSE funding, 30% that it had helped "quite a bit", and 21% that it had helped "somewhat". Only 2% reported that it had helped "very little" and less than 1% that it had not helped at all.

Smaller grantholders were more likely to have reported a positive effect. Among grantholders with no staff numbers or one, 51% felt the support had helped their financial position a great deal, as did 48% of organisations with between 2 and 5 staff. This is compared with 42% among both grantholders with 6-50 staff or more than 50 staff.

Figure 4:5   How much the funding package helped grantholders' financial position during the pandemic, among those using for core costs
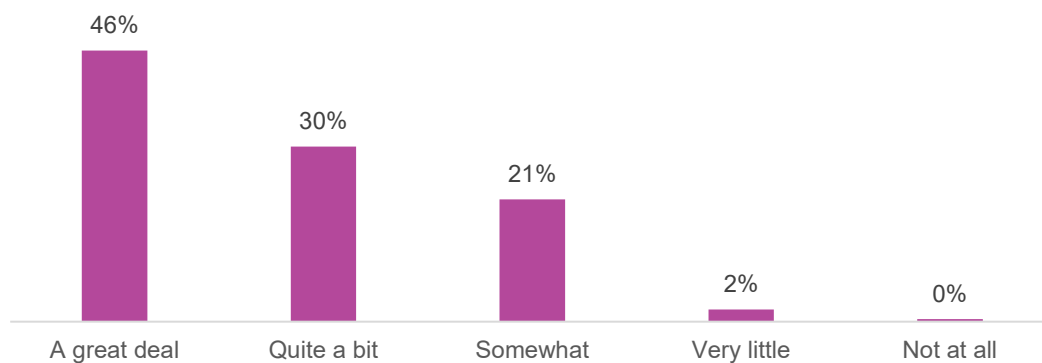
Base: all grantholders who used the funding to cover core costs (1,617). Note: rounded total is 99%, 'Don't know' and 'Prefer not to say' responses are not shown.

Despite this overall success, some sector organisations wanted a larger (in overall value) funding package. Sector representatives were critical of the £750m ceiling on the funding package, including the basis upon which this was devised and the lack of consultation in how this was implemented. While views differed on what a more appropriate level of funding ought to have been, there was a consensus that £750m was not sufficient. Early in the pandemic, NCVO and the Charities Finance Group estimated that organisations could lose up to £12bn in income over the course of a year.[21] Pro Bono Economics estimated the funding gap would amount to £10.1bn: a drop in income of £6.7bn, and an increase in demand equivalent to £3.4bn.[22]

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[21] Civil Society News (2020) Charities could lose £12bn in income this coming year. [Accessed 15/02/2022].
[22] Pro Bono Economics (2020) Charities facing £10.1 billion funding gap over the next six months. [Accessed 04/03/2022].

Value for Money: Effectiveness spotlight – Financial health

One grantholder organisation stood out as it was able to use the grant funding to not only pay for staff time and improve its digital infrastructure, but to support its move from old, rented premises, to a new, purchased property. Without the breathing space that the funding gave this organisation by covering staff salaries, this would not have been possible. In the process, the costs of this grantholders office premises reduced by 75%. Primarily, this was because the mortgage costs were significantly lower than rent payments.

For organisations with up to 500 staff, the money from the funding package made up between 30-35% of all funding received during the pandemic, as reported by grantholders survey responses.[a] This indicates that the funding package contributed significantly to the liquidity of many organisations during the period covered. However, organisations with over 500 staff reported that the VCSE funding made up less than one-fifth of total funding, suggesting that larger organisations were in a better financial position and less likely to apply for this specific emergency funding.

[a] Organisations that reported valid values for both VCSE and other funding in the grantholder survey.

4.5 Impact on grantholders' ability to continue or expand service delivery

Contribution statement 2: the funding package contributed to the grantholders' ability to continue and / or expand core services either through retaining or increasing staff or volunteer capacity, or through collaborations with other organisations.

Grantholders used the funding they received for a wide range of purposes. As intended, a central use for the funding was meeting financial shortfalls to allow organisations to **continue operating** during the pandemic (reported by 64% of grantholders). However, grantholders also widely reported using the funding to meet increased demand for their existing services (45%) and to fulfil new needs which had developed during the pandemic (43%). Together these areas cover the vast majority of grantholders, with 87% using the funding to either support continued or expanded service delivery or to meet new needs.

Findings from grantholder interviews supported the survey results. One BNI grantholder, for example, used the funding to move services online and to increase staff capacity to respond to referrals.

> *"In lockdown, at the beginning of the pandemic, self-referrals massively increased. There was a surge in self-referrals as there were changes in the health system such as health visitors being redeployed out of their usual roles, women weren't going to see their GPs, health checks were over the phone or online, and people were scared to go in person to health services due to Covid."* (BNI grantholder)

With the help of the funding package, nearly two-fifths (38%) of grantholders were able to provide new services, which they had not provided before the pandemic.

Using the funding to expand service delivery and to meet demands for new services was more common among larger grantholders. Over half (56%) of organisations who had more than 50 staff before the pandemic reported they increased service delivery to meet new demands during the pandemic, compared with 36% of organisations with no paid staff or only one member of staff. Similarly, half (50%) of grantholders with over 50 staff members reported meeting new demands for services not provided before the pandemic using the VCSE funding package, compared with 34% of grantholders with one staff member or no paid staff before the pandemic.

The case studies also highlighted the emergence of new needs among service users and the necessity to adapt existing services. For example, the closure of schools meant children eligible for free school meals were left without food. This required the design of an entirely new service that had to minimise the risk of stigmatisation, as well as logistical changes in order to distribute food parcels to families that needed them.

Grantholders reported that without the funding there would have been a significant reduction in the **overall level of services** being delivered. Around 45% of organisations said the level of services they delivered would have been substantially reduced, and 13% that it would have meant they needed to close or stop delivering services altogether. A further 35% said the level of services they provided would have been slightly reduced, and only 8% reported that they would have been able to maintain the same level of service delivery (Figure 4:6).

Figure 4:6   Ability to maintain the same level of service delivery without the VCSE sector funding
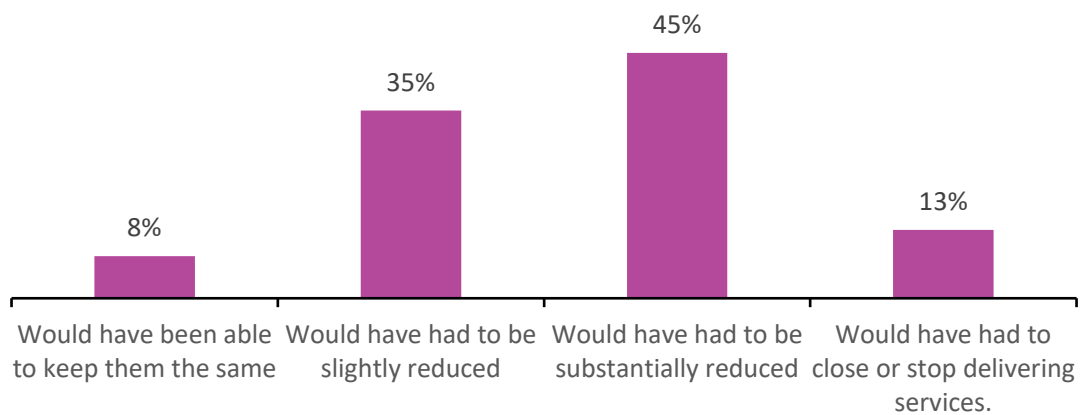
Base: all grantholders (2,545).

Taking into account the funding package support received during the pandemic, 29% of grantholders surveyed said they had been able to substantially increase the level of services they provided, another 29% that they had slightly increased them, with 24% keeping the level of services they provided the same. Only 17% had needed to decrease the level of services they provided, and just 1% had stopped delivering services or closed completely.

These results are shown in Figure 4:7 below. This reflects a substantial improvement in the level of services grantholder organisations were able to sustain as a result of the

emergency funding. A potential caveat to this is that if organisations closed completely during the pandemic, they may have been less likely to respond to the survey of grantholders, meaning this figure would be an underestimate.

Figure 4:7   Ability to deliver services with the VCSE sector funding
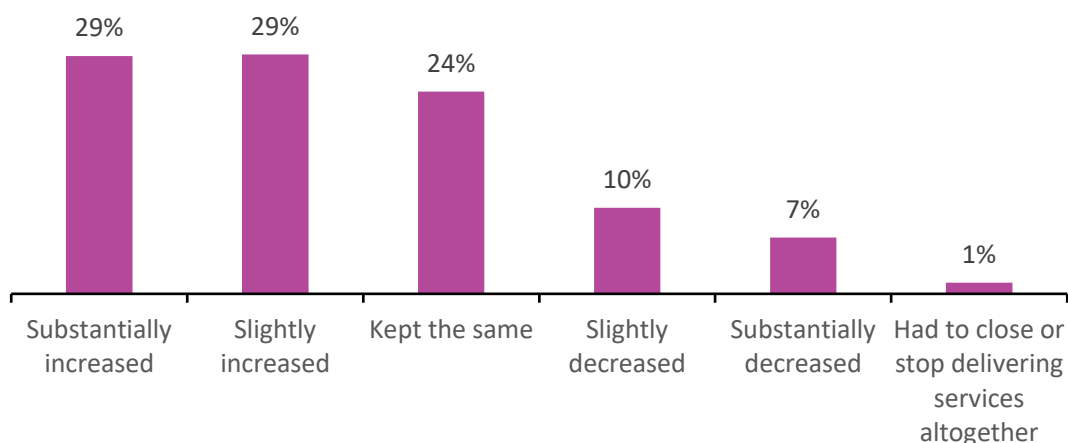
Base: all grantholders (2,545).

Small organisations were slightly less likely to have been able to increase the level of services they delivered. Around half (52%) of grantholders with no or only one staff member reported they had been able to increase services, compared to 60% among grantholders with 2 – 5 staff, 64% among those with 6 – 50 staff and 60% among those with over 50 staff.

When estimating the level of services they would have been able to deliver **without** the funding, there was a similar picture. Small grantholders more likely to have expected to close or stop delivering services: 17% of grantholders with no staff or only one staff member reported they would have had to stop delivering services, compared to 10% of those with more than 50 staff.

There was also a difference between recipients of smaller and larger grants. Around half of organisations (48%) awarded less than £10,000 reported increasing the level of services they delivered, compared with 74% among grantholders receiving £10,000-£50,000, 72% among those receiving £50,000 - £100,000 and 67% among recipients of over £100,000.

These findings are mirrored by what grantholders reported in interviews. When asked what would have happened to the services offered and how they are delivered, common themes were a reduction in the number of people supported or the range of services offered:

> *"We would have been fine [as an organisation] but we managed to reach 40 extra children roughly, which made a huge difference for them and helped to ensure children didn't fall through the cracks."* (BNI grantholder)

4.5.1 How did the funding package contribute to increased and continued service delivery?

As set out in Contribution Statement 2, the funding was anticipated to help grantholders retain or expand their workforce, and to enable more coordination among VCSE sector organisations.

Around two-fifths (42%) of grantholders used the funding to retain current staff and 33% to enable them to keep working with existing volunteers. A smaller proportion of organisations used the funding to hire new staff and increase the size of their volunteer base, reported by 15% and 21% of grantholders respectively (Figure 4:8 below)

A notable component of the package's contribution in this area was to help organisations to either keep staff from being put on the furlough scheme, reported by 16% of grantholders, or to bring staff back from furlough, reported by 8% of grantholders. A smaller number of grantholders (2%) used the funding for both these purposes. Overall this equates to 26% of grantholders using their funding to either keep staff off furlough or bring them back from it. These grantholders were asked how many staff this benefitted and most (88%) were able to give an estimate. In total, these grantholders either brought back or kept off furlough 3,159 staff, out of a total of 6,614 furloughed staff.

Figure 4:8 Proportion of grantholders who used their funding to maintain or increase staffing and volunteering
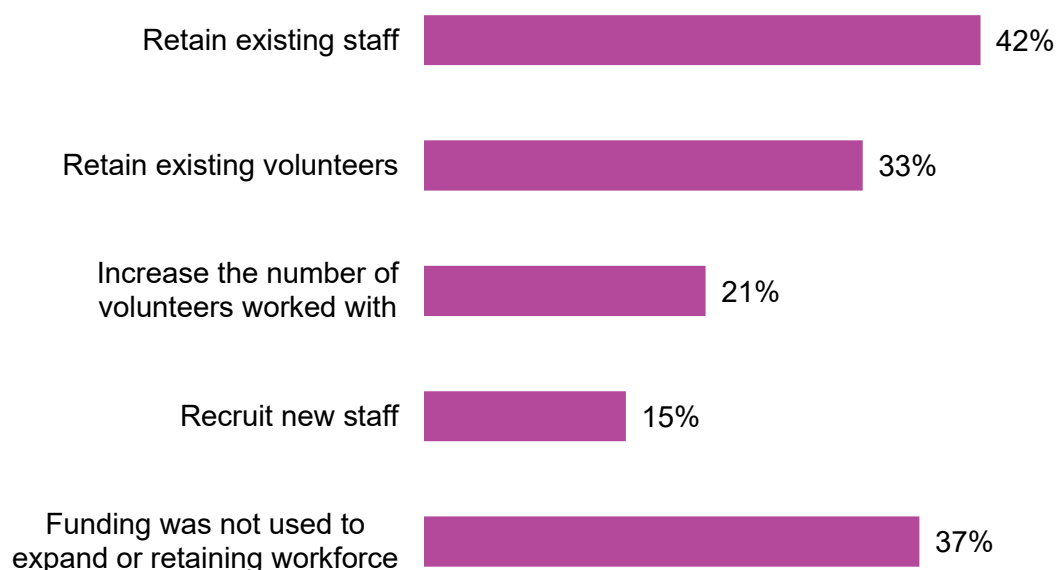
Base: all grantholders (2,544).

In total, nearly two-thirds (63%) of grantholders used their funding for **at least one** of these areas: either retaining or hiring staff or volunteers. Larger grantholders were more likely to use their funding for this reason, with just over half (52%) of grantholders who had no staff member or one using their funding to retain staff, compared with 71% of grantholders with over 50 staff. Similarly, larger grantholders were more likely to bring staff **back** from the furlough scheme. Of grantholders with between 2 and 5 staff, 18% reported they used the funding in this way, compared to 24% of grantholders with between 6 and 50 staff and 25% of grantholders with over 50 staff.

In interviews, grantholders linked the retention and recruitment of staff to being able to continue, adapt or expand their services. For instance:

> *"All the funding changes were to increase capacity for the 30% increase in referrals we received across the board. The rest of our teams went online or delivered services by phone and increased their capacity. This enabled us to continue running all of our services and we didn't have to furlough any staff members."* (BNI grantholder)

Figure 4.9 below shows what share of all the hours worked by staff in the previous month at their organisation were funded through the VCSE sector support package. The responses showed substantial variation between organisations, with some reporting that all or almost all of their workforce was funded through the package, while for others it was none or almost none. However, the results show that for a sizeable group of grantholders, the funding made an important contribution to their ability to staff their organisation.

Figure 4:9   Proportion of all the hours worked at an organisation over the last month, which were contributed by staff returned to work or hired using the funding package
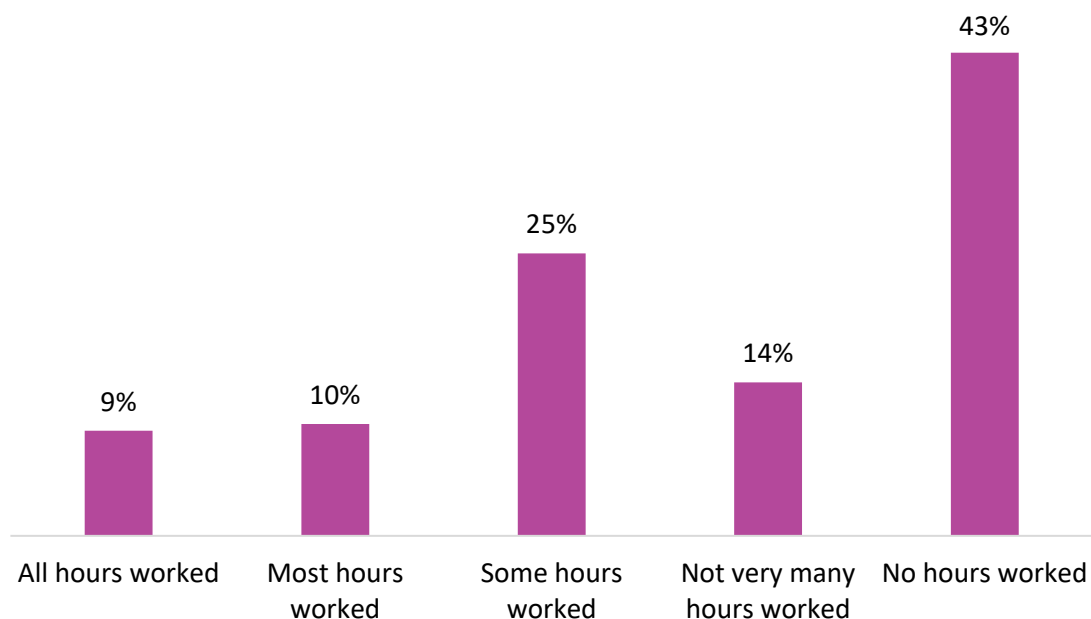
Base: all grantholders which used the funding to retain or hire staff (1,199).

The funding package was less likely to be used to improve coordination of services and activities within the sector, as only 12% of grantholders reported using the funding in this way. These grantholders were either using the funding to improve how they collaborated with others in the sector and with local government services (reported by 9%) or to facilitate collaboration among other VCSE sector organisations (7%).

Collaboration was identified in a number of interviews with grantholders, where they had established new partnerships thanks to the funding they received. Mostly, these new partnerships were with other charities and voluntary organisations, schools or with local government. In general, the support received through the funding package was described as a contributing element to the creation and strengthening of collaboration and partnerships:

"[The funding] has definitely helped to stimulate partnerships, mainly through our profile raising and through those links that were made last year. [...] I think the funding was definitely a contributor." (Case study strategic staff, OGD grantholder)

Value for Money: Efficiency spotlight – Sharing knowledge

Grantholders achieved a broad range of outcomes for a variety of service users. To enable this, some coordinated or collaborated with other charities, local government, or businesses. In some cases, such as the VCSEP, funding was provided specifically to enable the grantholder to collect and share knowledge with the local, regional and national voluntary and communities sectors:

> *"The funding also strengthened our relationship with the city council as I could tell them what I'd heard from peers and other organisations such as Red Cross about what the sector was experiencing and what was working well and so on. The funding was also helpful to members of our Covid response network. We had a local structure that handled the local picture in areas in Birmingham and we also had a thematic network that worked in certain areas such as mental health, bereavement and so on. I could then feed information back to VCSEP and reflect back information from VCSEP."* (VCSEP grantholder)

In other cases, organisations collaborated and shared knowledge with other charities delivering services on the ground so that the best placed organisation could respond to specific needs. One women's charity,who received funding through the CMC, noted that "*It gave us the opportunity to share information. We referred people to homeless charities, food banks, domestic abuse workers etc. We also got more referrals.*"

Some grantholders also found that the funding enabled them to offer more support to local partners. A community organisation which received funding under CMC explained:

> *"The impact was much wider than just our organisation. Other organisations across the district felt very supported. Because we were supported, we were able to support grassroot partners."* (Case study strategic staff, CMC grantholder)

This highlights the value and impact of the sector pooling together their collective and related expertise to tackle the multiple, often connected issues that many service users experienced during the pandemic.

The purpose of the VCSEP was to help Voluntary and Community Sector (VCS) organisations to build links with each other and with grassroots organisations and local authorities in order to coordinate local, regional, and national responses to the pandemic. In line with this, all VCSEP grantholder organisations that were interviewed described the development of new partnerships with the funding. Grantholders interviewed also highlighted how they used the funding to collaborate and share knowledge:

> *"We worked alongside local authorities to make sure volunteers were placed where they were needed. We informed local authorities about rules they needed to follow about volunteers, and this involved lots of*

informing and educating on logistics and rules of deploying and liaising how to get them there." (VCSEP grantholder)

As a result, grantholders who talked about improving collaboration or coordination with the funding felt that either they or the local or national VCSE sector is now better able to respond to an emergency. They also felt this is something that the government should continue to build on, by:

> *"playing a co-ordination role to help organisations work together more effectively"* (OGD grantholder).

📢 **Value for Money: Sustainability spotlight – Stronger partnerships**

During interviews, grantholders mentioned that they have formed **new partnerships as a result of the funding** they received. In addition, many organisations also reported a strengthening of existing relationships. Partnerships have been formed with a wide variety of organisations, including the police, schools, local businesses, charities, the NHS, and local government among other things. An OGD grantholder provided an example of this in our interviews:

> *"We established a partnership with Touchstone Leeds and Spectrum People. The partnership is a joint venture to deliver an out of hours service for vulnerable adults. It is with the local CCG [Clinical Commissioning Group], it was initially for 3 evenings a week but it has been so successful it is now working 7 days a week"* (OGD grantholder)

For some grantholders, the new partnerships are also seen as part of the legacy of the funding they received:

> *"In a way, the pandemic has been the making of [Grantholder organisation], we are now respected as a partner [of the NHS]."* (Hospices grantholder)

4.6 Grantholders' ability to adapt and / or innovate services

Contribution statement 3: VCSE funding package contributed to grantholders' ability to <u>adapt and / or innovate delivery models</u> to provide services and reach existing and / or new service users.

Adapting the way services were delivered was another central aim of the funding; and nearly two-thirds (64%) of grantholders used the funding to support this. Given the restrictions imposed by the government as a result of the pandemic, continued operation was often dependent on making these changes – either to ensure services were delivered safely or to comply with legal requirements. Some grantholder organisations were already well placed to move their services and / or ways of working to remote delivery or could provide them safely in a socially distanced manner. However, for many this change could be costly and complex, and the emergency funding package was intended to facilitate the shift as much as possible.

This was a more common use of the funding among larger grantholder organisations. Among grantholders with more than 50 staff before the pandemic, 73% used the funding to adapt their services for pandemic conditions, as opposed to 58% among grantholders with either no or one staff member..

Among the 64% of grantholder organisations that used the funding to **adapt their service delivery** during the pandemic, a range of approaches were adopted. Over two-thirds (68%) of organisations used multiple approaches, including a combination of home or remote delivery, with adaptations to face-to-face services. One CMC grantholderexplained that it was important that some in-person services continued to ensure that service users who could or would not engage with remote offerings were not excluded.

The most common way for services to be adapted using the VCSE sector funding package was to **move to remote delivery**. Over 70% (72%) of grantholders adapted their service delivery through the use of video calls or online messaging services. Around 1 in 10 (9%) grantholder organisations moved their services online in some other way. These methods included webinars, helping service users get set up online (through installing Wi-Fi, or providing computer equipment), moving services to their websites (e.g., recording events, providing online resources), setting up podcasts, or expanding their use of social media.

This emphasis on digital capabilities and skills has been reflected in other research about the response of VCSE organisations to the pandemic. One survey found that 81% of VCSEs had changed the way they used digital technology due to the pandemic, and 73% said that this had required improved digital skills by staff, volunteers or service users.[23]

Other important areas where the funding supported adaptations were **changes to allow grantholders to continue face-to-face delivery** (reported by 48% of those who used the funding to adapt services) and **moving to home working** (reported by 39%). Another 12% of those that made adaptations adopted other approaches to remote delivery, through the delivery of materials to people's homes (such as activity packs, essential items, or phones and computers) or delivering services by phone (38%).

Among those grantholders who reported that the level of services they could deliver would have fallen **without** the funding, 53% reported that it would have been because they could not change the way their services were delivered, and 29% that their staff would have been unable to move to remote working.

Findings from grantholder interviews and case studies confirm these themes. A grantholder who used funding to distribute laptops to students noted that:

> *"Covid obviously impacted us because we had to work a different way but the funding then gave us technology to enable that way of working to happen."* (Case study, BNI grantholder)

One OGD grantholder who adapted services in this way said:

> *"Many were surprised with how engaging online can be, rather than just 1 person talking to a screen some can have the real ability to develop cohort community, and a feel as if all the people are in the same room,*

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[23] Nottingham Trent University and Sheffield Hallam University (2021). Respond, Recover, Reset: The Voluntary Sector and COVID-19. August 2021. [Accessed 17/02/2022]

we found this not as restricting as some may have expected." (OGD grantholder)

While this theme of digital adaptation of services is common, a small number of grantholders said that the funding helped speed up this process rather than being solely responsible for it. For instance, one OGD grantholder explained that:

> *"A multi-channel platform was on our 5-year strategy, this was obviously brought forward due to the pandemic. We will be taking this forward, remote support by default and face to face for people who are vulnerable."* (OGD grantholder)

Interviews also confirmed that grantholders also used funding to **adapt in-person services** in response to the Covid-19 pandemic. This included implementing social distancing or smaller group sizes, mask or PPE wearing, sanitising hands and equipment, room partitions and moving activities outdoors. These adaptations supported a variety of activities, including ensuring continued in-person delivery to reach digitally excluded groups. Such groups included the elderly, people without internet connections or in areas with poor network connectivity, and people with specific mental or physical conditions. For example, a case study participant reported that several attempts at moving some of their services for children with autism online were unsuccessful. This made them resume in-person activities as soon as it was allowed. The funding was therefore used to adapt these activities and make them safe for service users and volunteers.

In the grantholder survey, nearly two-fifths (38%) of organisations reported that they had begun to provide new services using the funding they received. This also emerged in the interviews with some case study participants. Organisations that based all their pre-pandemic services on in-person activities found new ways to engage their service users through new online services. Other innovations to which the funding contributed include the design and delivery of activity packs for children with autism and the creation of a crowdsourced online database of creative activities.

Value for Money: Efficiency spotlight – Adapting services

Making adaptations to their services, in particular developing more online or phone-based services, was a prominent theme in interviews and case studies. While these changes were largely in response to immediate needs and changes in government guidance, organisations spoke about the benefits this might bring beyond the pandemic:

> *"Moving forward we will be using blended services. Online services save on time and travel, they are good for reaching rural areas, but we also need face-to-face."* (BNI grantholder)

Another organisation, that received funding through the OGD funding stream, also adapted their services to include an increased digital offer, which helped it to extend its reach to people under 30. Before they had received the funding, the grantholder had struggled to engage people under 30 who tended to not want to physically go to their office.

A grantholder working with carers also noted that online sessions had increased their reach, particularly among those who have anxiety about going out to group sessions or people with small children.

4.7 Sustainability of grantholder organisations

In addition to the funding package's immediate impact during the pandemic in allowing organisations to maintain or increase their service delivery, it also helped ensure their longer-term sustainability. In the grantholder survey, organisations were asked to assess over the coming year how far they would be able to continue operating. The vast majority (86%) said they would be able to continue operating at the same or at an increased level. This includes 40% who would be able to continue working at the same level of service delivery, 35% at a slightly increased level, and 11% at a substantially increased level. Of these organisations, almost all said that the VCSE sector funding package had either been very important (48%) or quite important (41%) to their being able to continue operating at the expected level over the following year.

However, although there was a broadly positive outlook among grantholders, there was also around 1% who felt they would have to close or stop delivering services completely. A further 4% reported they would need to substantially reduce the level of services they provided, and 9% that they would slightly reduce them.

These findings were fairly consistent for large and small grantholder organisations and across different grant sizes. Among small grantholders, those with either one staff member or none, 87% reported they would be able to either increase or maintain their service delivery at the same level of the next year. This compares to 85% among grantholders with 2 – 5 staff members, 86% among those with 6 – 50 staff members and 90% among organisations with more than 50 staff. Looking at grant size, among recipients of the largest grants (over £100,000) 85% reported they would be able to maintain or increase their level of service delivery over the next year, compared to 79% among those receiving £50,000-£100,000, 86% of those receiving £10,000-£50,000 and 87% of those who received less than £10,000.

There was also a more mixed view of their overall financial position. Although most grantholder organisations felt they would be able to continue delivering a similar or increased level of services over the next year, there was also a significant minority who were worried by their financial situation. At the time of the survey, 38% were very or somewhat concerned about their finances, and 57% were either only a little concerned or not at all concerned. This is an increase in the proportion who were concerned before the pandemic, when only 30% of organisations were concerned about their finances. Of the organisations who were not concerned about the financial health of their organisation before the pandemic, 36% were concerned about their finances at the time of the survey, which was conducted at the end of 2021 (Figure 4:10).

Larger organisations (over 50 staff members) were less likely to be very or somewhat concerned about their finances. Before the pandemic, 24% reported that they were very or somewhat concerned about their finances, while 31% were concerned about their finances at the time of the survey. Among smaller grantholders (with less than 50 staff members), around one-third were very or somewhat concerned about their finances before the pandemic, which increased to around 40% by the time of the survey.

Figure 4:10   Grantholders' financial health before and during the pandemic
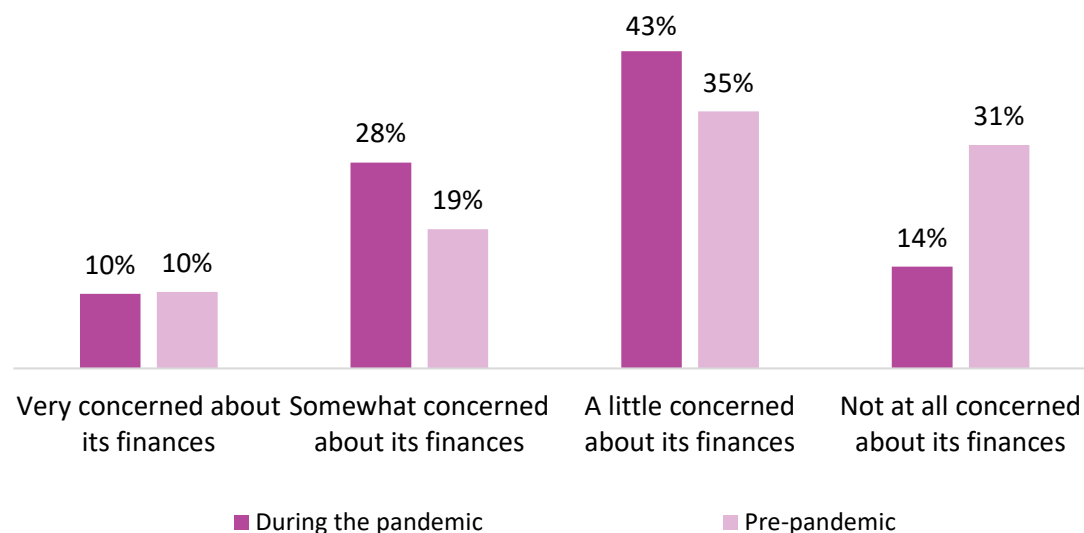
Base: all grantholders (2,551).
Note: totals are 96% and 95% respectively, 'Don't know' and 'Prefer not to say' responses are not shown.

Grantholders also experienced ancillary benefits from funding which contributed to the sustainability of their organisation and the services they provide. For example, a production company previously specialised in video and social media content, that received money through the Audio Content Fund, noted that the funding had allowed them to diversify their business and trial something new such as the production of radio content.

> "It's allowed us to prove that we can do something, opened up a new avenue of work for us and diversified our offering." (Case study strategic staff, Winter Loneliness grantholder)

The funded activities also helped some organisations secure further money to continue services. As grantholders describe, these projects enabled them to obtain more money from the same funders and seek new sources of funding:

> "That gave them confidence to award a much greater contract to us for peer support. … they'd tested the water…this year they've given us a £1m contract to run a national peer support service, so it was a good test, a good pilot." (Case study strategic staff, OGD grantholder)

> "We are now close to being able to replace the DCMS funding with other funding which came out of the relationships and work done because of the funding." (Case study strategic staff, CMC grantholder)

4.8   The Coronavirus Community Support Fund – experience of CCSF grantholders

The CCSF funding stream was evaluated separately, however, the research tools used were made as comparable as possible; and overall, a similar impact was seen among these grantholders in most areas.

Without the funding, CCSF grantholders described a similar likely impact of the pandemic on their service delivery levels. Almost all anticipated at least some fall in their ability to deliver services: nearly one-fifth (17%) would have had to close or stop delivering services, and over half (56%) would have been able to deliver only a

substantially reduced level of services, with another fifth (21%) saying they would have slightly reduced their services. Only 5% reported they would have been able to maintain a similar level of service delivery. Figure 4:11 shows the comparison between grantholder organisations in the CCSF and the other funding streams (discussed in Section 4.6 above).[24]

Figure 4:11   Whether service delivery would have been impacted if grantholder organisations had not received funding

Level of service delivered without funding

■ All funding streams except CCSF   ■ CCSF
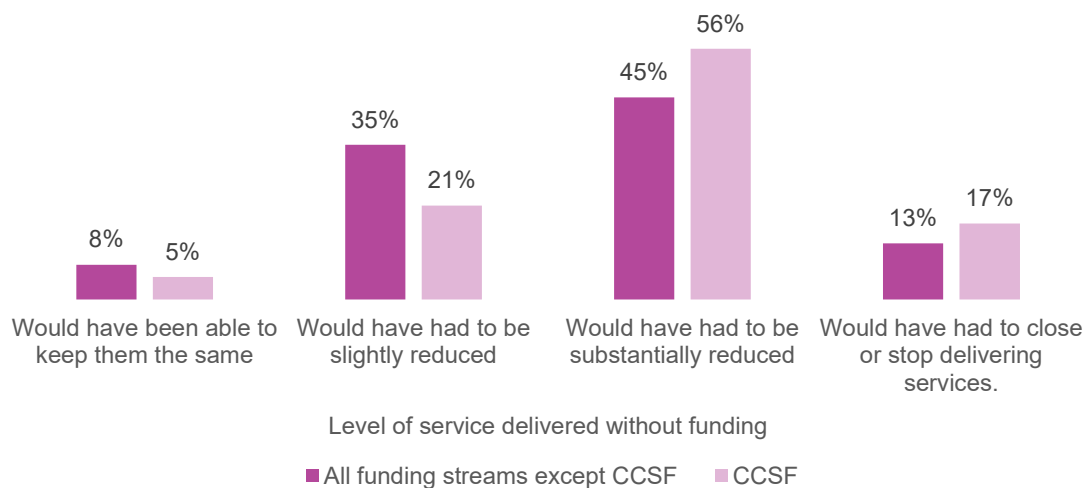
Base: all grantholders (2,546); Base (CCSF): All grantholder sub-group respondents (6,712).
Note: totals may not equal 100% owing to rounding.

CCSF grantholders used the funding for similar purposes to organisations in the other funding streams:
- 48% to maintain their financial resources to be able to continue operating during the pandemic,
- 46% to increase capacity for their existing services,
- 42% to deliver new activities, and
- 56% to reach new groups of people.

CCSF grantholders were somewhat more likely to use the funding for staffing, with over half (58%) reporting they used the funding to be able to adapt their staff resources:
- This included 46% reporting they increased staff hours, and 25% that they hired new staff.
- This included one-fifth (19%) using their funding to enable them to keep staff off furlough, allowing 6,210 employees to be brought back from furlough – a median of two staff members per grantholder.

Finally, CCSF grantholders also used the funding to adapt their services for delivering during the pandemic, with 58% moving to online and 40% adapting their services for safe face-to face delivery during Covid-19. By comparison, 78% of non-CCSF grantholders said the funding helped them to move their services online and 48% that it allowed them to make adaptations to their face-to-face services.

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[24] Comparative figures for the CCSF funding stream were taken from the Impact Evaluation Final Report table annexes: IPSOS Mori (2021). Impact Evaluation of the Coronavirus Community Support Fund: Annexes to the Final Report. [Accessed 07/03/2022]

4.9   Summary of evidence

This section summarises the strength of evidence available to support each of the three contribution statements relating to the funding package's impact on grantholder organisations.

Strength of evidence is evaluated in terms of how many sources of evidence there were for each statement, whether data supported or conflicted with the contribution statements, and how far the different sources of data supported each other.

Drawing on this, strength of evidence for each contribution statement was classified as 'Strong', 'Moderate' or 'Weak'.

- **Strong**: numerous sources of evidence, with high convergence of findings;
- **Moderate**: moderate amount of evidence, with general convergence but possibly with conflicting results; and
- **Weak**: limited evidence, with limited convergence of findings.

Potential alternative explanations are considered, which may also be contributing factors to the observed results. For example, the possible presence of other sources of emergency funding which may have helped grantholders maintain their operations. It is important to note, however, that the strength of evidence for alternative explanations is based on the viability of an existing alternative explanation, rather than the level of its impact on the contribution statement.

Summary of evidence to support Contribution Statement 1

➤ Overall, there is **strong evidence to conclude that the funding did contribute to the financial position of grantholders**.

Evidence to support the contribution statement	Strength of evidence
• Funding was used by the majority of grantholders (64%) to make sure they had the funds to continue operating, a central aim of the funding package. This was reflected in case studies and interviews, whereby participants expressed that they could now focus on delivering services rather than securing resources. The CCSF evaluation found that the CCSF contributed to ensuring 48% of grantholders had the financial resources to continue to operate during the pandemic. The YCSF evaluation also found that a key outcome of the fund had been allowing organisations to cover core costs. This had been important because of the successful applicants, 57.7% were only partially open at the time of application, and a further 16.8% were not open at all due to the Covid-19 pandemic. The YCSF evaluation[25] found that for those grantholders who chose to incur a deficit to continue to deliver services, the fund helped these organisations to cover this deficit and prevent financial issues that may have caused service closures in the future.	Strong evidence (grantholder survey, interviews, case studies, secondary data)

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[25] The National Centre for Social Research (NatCen) (2022). Evaluation of the Youth Covid-19 Support Fund. Department for Digital, Culture, Media & Sport. February 2022. [Accessed 29 March 2022].

• Without the VCSE sector funding, 13% of grantholders surveyed reported they would have needed to close or stop delivering services altogether. Taking into account the funding they received, only around 1% had needed to close or stop delivering services. Comparably, the CCSF evaluation found that 17% of grantholders reported that they would have had to close or stop services altogether (without their CCSF grant). The CCSF evaluation also found a statistically significant difference in closure rates between the smallest CCSF grantholders (2.4%) and equivalently sized organisations that were unsuccessful in applying for CCSF funding (5.3%). However, no difference was found between larger organisations.	Strong evidence (grantholder survey, interviews, secondary data)
• Among grantholders who used the funding to ensure they were able to continue operating during the pandemic, 75% reported that it had helped 'a great deal' or 'quite a bit' to improve their financial health. Smaller grantholders were more likely to have reported a positive effect. 51% of smaller grantholders (those with none or one staff member) felt the VCSE funding had helped their financial position a great deal, compared to 42% among larger grantholders (those with more than 50 staff). Qualitative data found that grantholders' financial situation had improved substantially, including no longer being at risk of closure and not having to tap into reserves. This enabled them to continue service delivery throughout the pandemic or reopen their services sooner, although some still had concerns about their organisation's sustainability in the short-, medium-, and long term.	Strong evidence (grantholder survey, interviews, secondary data)
Alternative explanation : Evidence of contribution from support other than the funding package	**Strength of evidence**
• 77% of grantholders in the survey reported having received funding through other sources besides the VCSE funding package. In interviews, there were only very few grantholders who did not mention having received funding from other sources during the pandemic. The presence of other sources of funding would have contributed to grantholders' financial wellbeing, and would have been a contributory factor in grantholders' ability to maintain service delivery levels during the pandemic.	Strong evidence (grantholder survey and interviews)

Summary of evidence to support Contribution Statement 2

➤ Overall, there is **strong evidence to conclude that the funding did contribute** to the grantholders' ability to **continue or expand core services**, either through retaining or increasing staff or volunteer capacity, or through collaboration.

Evidence to support the contribution statement	Strength of evidence
• The vast majority of grantholders continued, adapted, expanded, or added new services (93%). Some used funding for multiple purposes. The CCSF evaluation found that 48% of grantholders used the grant to ensure they had the financial resources to continue operating during the pandemic, and 46% to increase capacity for their services. The YCSF evaluation[26] found that, in some cases, the fund had enabled organisations to expand or improve their services. This included organisations who reported that they were able to provide new and additional services e.g., additional welfare work.	Strong evidence (grantholder survey, interviews, case studies, secondary data)
• Over half of grantholders used funding to maintain or increase staff numbers or staff time. Around two-fifths used funding to mobilise or retain volunteers. The CCSF evaluation found that, of those grantholders that used the furlough scheme, nearly half (46%) used their CCSF grant to bring back or prevent staff from going on furlough, representing 19% of all CCSF grantholders.	Strong evidence (grantholder survey, interviews, case studies, secondary data)
• Without the funding, the vast majority of grantholders surveyed in this evaluation would have reduced the level of services they delivered (80%). Taking into account the funding received, only 18% had needed to reduce their service delivery level. There was a similar level of need among CCSF grantholders, with 77% reporting they would have needed to reduce their services without the CCSF grant.	Strong evidence (grantholder survey, interviews, case studies, secondary data)
• 12% of grantholders surveyed reported that they used the funding to improve their ability to collaborate or facilitate with other VCSE sector organisations or public services. Some grantholders interviewed had used funding to collaborate or share knowledge with the sector or government.	Moderate evidence (interviews and case studies)
Evidence of contribution from support other than the funding package	**Strength of evidence**
• 77% of grantholders in the survey reported having received funding through other sources besides the VCSE funding package. In interviews, there were very few grantholders who did not mention having received funding from other sources during the pandemic. Consequently, other funding sources may have contributed to grantholder's ability to continue or expand services.	Strong evidence (grantholder survey, interviews and case studies)

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[26] The National Centre for Social Research (NatCen) (2022). Evaluation of the Youth Covid-19 Support Fund. Department for Digital, Culture, Media & Sport. February 2022. [Accessed 29 March 2022].

Summary of evidence to support Contribution Statement 3

➢ Overall, there is **strong evidence** that the funding package was used by grantholders to **adapt and/ or innovate their services for delivery during the pandemic** to provide services and reach existing and / or new service users.

Evidence to support the contribution statement	Strength of evidence
• The majority (64%) of grantholders adapted their services to continue to reach service users during the pandemic. The CCSF evaluation found that 40% adapted activities and support so that they could continue to deliver face-to-face services, and 43% to begin delivering new activities.	Strong evidence (grantholder survey, interviews, case studies, secondary data)
• In some cases, the funding allowed organisations to experiment with new activities and innovate the way they deliver their services. For example, design and delivery of activity packs for children with autism and the creation of a crowdsourced online database of creative activities.	Moderate evidence (case studies)
• Nearly two-thirds of surveyed grantholders used their funding to support new service users. The CCSF evaluation found that more than half (56%) of grantholders reported that the CCSF grant enabled them to undertake work to reach new beneficiaries.	Strong evidence (grantholder survey, interviews, case studies and secondary data)
• For a minority of grantholders, adaptations meant that harder-to-reach (e.g., more rural communities) can now more easily access their services.	Moderate evidence (interviews and case studies)
Evidence of contribution from support other than the funding package	**Strength of evidence**
• In interviews, there were very few grantholders who did not mention having received funding from other sources during the pandemic, and 77% of surveyed grantholders reported receiving funding from other sources. These other sources of funding will have, to some extent, also contributed towards grantholders' ability to adapt their service delivery models.	Strong evidence (grantholder survey and interviews)
• During interviews, some grantholders noted that their organisation had started to adapt by delivering services digitally prior to the Covid-19 pandemic. Therefore, for some, grant funding supported a shift to digital service delivery that was already underway prior to the funding.	Weak evidence (interviews)

5 Impact on people and communities in need

5.1 Key findings

The services that grantholders delivered using the funding had a wide range of impacts on **different people and communities in need**.

Overall, the funding helped support approximately 21.5 million people (this includes the CCSF, but not the hospices fund). Support ranged from one-off support to sustained engagement over several months.

The funding predominantly benefitted children and young people (58% of survey respondents), followed by people at greater risk of loneliness or social isolation (33%), and those with long-term illness or disability (27%).

10% of survey respondents reported supporting asylum seekers and refugees, 8% LGBTQ+ communities, and 18% ethnic minority groups.

The vast majority of grantholders reported being able to support those people and communities they targeted.

There was a significant minority of grantholders who offered universal services that were not targeted at any specific group (16% of survey respondents).

The **impacts for these people and communities** in need included:

70% of survey respondents reported being able to improve people's mental health and wellbeing.

62% reported more opportunities for social contact and 58% reported reduced experiences of loneliness.

18% of survey respondents reported improved protection from harm, violence and abuse.

5.2 Introduction

Drawing on grantholder surveys and interviews, the volunteer survey and case studies (consisting of interviews with staff, volunteers and service users), this section discusses who the service users were, and what impact grantholders' activities had on them.

These findings are used at the end of Chapter 5, to assess the strength of evidence available to support the fourth and fifth contribution statements, which focus on the funding package's impact on the end service users.

- **Contribution statement 4:** the funding package enabled grantholder organisations to reach and support people and communities in need during Covid-19, which resulted in positive outcomes for service users.

- **Contribution statement 5:** the funding package enabled grantholders to support people and communities to access support and services they needed during the pandemic, through a) improving access to public information, b) increasing digital, data and technology capabilities, and c) increasing local community organisation, volunteering and community activity.

Unless otherwise specified, all survey findings reported in this chapter refer to the results from the survey of the seven funding streams excluding the CCSF stream. CCSF grantholders were evaluated separately, and while comparable data was collected wherever possible, findings for this stream are presented separately.

5.3 Impact on grantholders' ability to support people and communities in need during the Covid-19 pandemic

> **Contribution statement 4**: the funding package enabled grantholder organisations to reach and support people and communities in need during Covid-19, which resulted in positive outcomes for service users.

5.3.1 How many service users were supported

In total, grantholders who responded to the survey reported that they supported **4.5 million service users** between them. This represents the number of people who they were able to help with the funding received through the VCSE funding package, as opposed to all their service users. This also excludes the work done by hospices, which is outlined in a separate section below. An important caveat is that it is based on self-reported data from each grantholder, and so should be seen as an estimate only.

This figure of 4.5 million people reached is based on the survey responses of grantholders who between them received total funding of approximately £99.3 million. The total funding distributed to all organisations, not just those that responded to this

survey, was £328.4 million (excluding the Hospices and CCSF funding streams). [27] When scaled to the total amount of funding received an approximate estimate of the number of service users reached is **14.9 million people** not including those reached by hospice services or by service users reached by the CCSF or the devolved administration funding.[28]

A similar total beneficiary figure was calculated for the CCSF funding stream, which reached a total of 6.58 million people. Overall, this would be approximately **21.5 million people** reached by all the funding streams, excluding the hospices fund. We cannot include the Hospices Fund in this because its impact is measured in terms of capacity delivered (e.g., number of beds made available for NHS patients), and so is not measured in terms of individuals supported.

This total figure contains within it a complex picture because service users were engaged in many different ways. Support ranged from one-off contact to sustained engagement, with beneficiaries ranging from radio listeners, web site visitors and online support groups. It also met a wide variety of needs from mental health support to direct provision of clinical care. There will also likely be an element of double counting, as people may have received support from more than one charity funded by this package, and would then appear twice in the count of people reached.

In terms of reach, over half (54%) of the organisations supported 100 individuals or fewer, 27% between 101-500 people and one-fifth (19%) reached more than 500 service users. This suggests that the funding was able to reach down to smaller, front line charities as well as larger organisations. For example, 20% of grantholders had either 1 staff member or no employees at all prior to the pandemic, relying entirely on volunteers.

Grantholders were also asked to estimate how long a typical service user would engage with the different funded activities or services. The reported duration of engagement varied greatly. **Longer term engagement**, of over three months, by service users was reported by grantholders most frequently in relation to: activities encouraging social connections and tackling loneliness (62%); childcare support (60%); other care services including adult social care (60%); and improved digital access for people with disabilities (61%).

One-off contact was reported less frequently by organisations overall than longer-term engagement. It was mainly noted by grantholders in the case of service users receiving medical care (12%), support for material deprivation (10%), information, advice and signposting (7%) and support with other urgent needs (7%).

5.3.2 Outcomes achieved for service users, reported by grantholders

The following section describes the type of impacts that were achieved for service users. These findings are indirect, based on data collected from grantholders about the ways their work benefitted people.

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[27] This estimate is based on the grant amount information provided in the sample of all grantholder organisations used for the survey. Grantholder contact details were provided along with the grant amount they were given. Where organisations received funding from multiple sources, these were combined, and in cases where the grant amounts were missing people were how much the grant was in the survey. This data was combined to give an overall estimate of the amount of funding given to grantholders in our sample, however, there was still some missing data where people refused to answer those questions, didn't know the answer, or did not respond to the survey – and so this will be a lower bound figure.
[28] Based on the CCSF impact report, CCSF reached 6.58 million people. IPSOS Mori (2021). Impact Evaluation of the Coronavirus Community Support Fund: Final Report. [Accessed 17/02/2022]

Grantholder survey

The grantholder survey provides an overview of what areas grantholders worked in, with all respondents asked how service users were benefitted by their activities or services (Figure 5:1 below). The most common outcome was 'people's mental health and wellbeing improved', with 70% of grantholders reporting this outcome. However, over half of organisations also reported that their service users:

- had more opportunity for social contact (62%),
- had reduced experiences of loneliness (58%),
- developed their skills and confidence in themselves (56%), or
- increased their resilience and ability to respond to changing circumstances (52%).

Other common widely reported outcomes were that children and young people's education and development was improved (47%), and that people were better informed about other sources of support or similar services (41%). Around one-third of grantholders reported that people's physical health was improved (27%), and that people's short-term basic needs (such as food, clothing and shelter) were better met (29%).

Less common were improved access to healthcare or social care services (18%), improved protection of people from harm, violence and abuse (18%), and improved experience of bereavement support (11%). There were also a small proportion of grantholders whose work improved people's experience of end of life care (3%).

Figure 5:1 Proportion of grantholders reporting achieved outcomes for service users
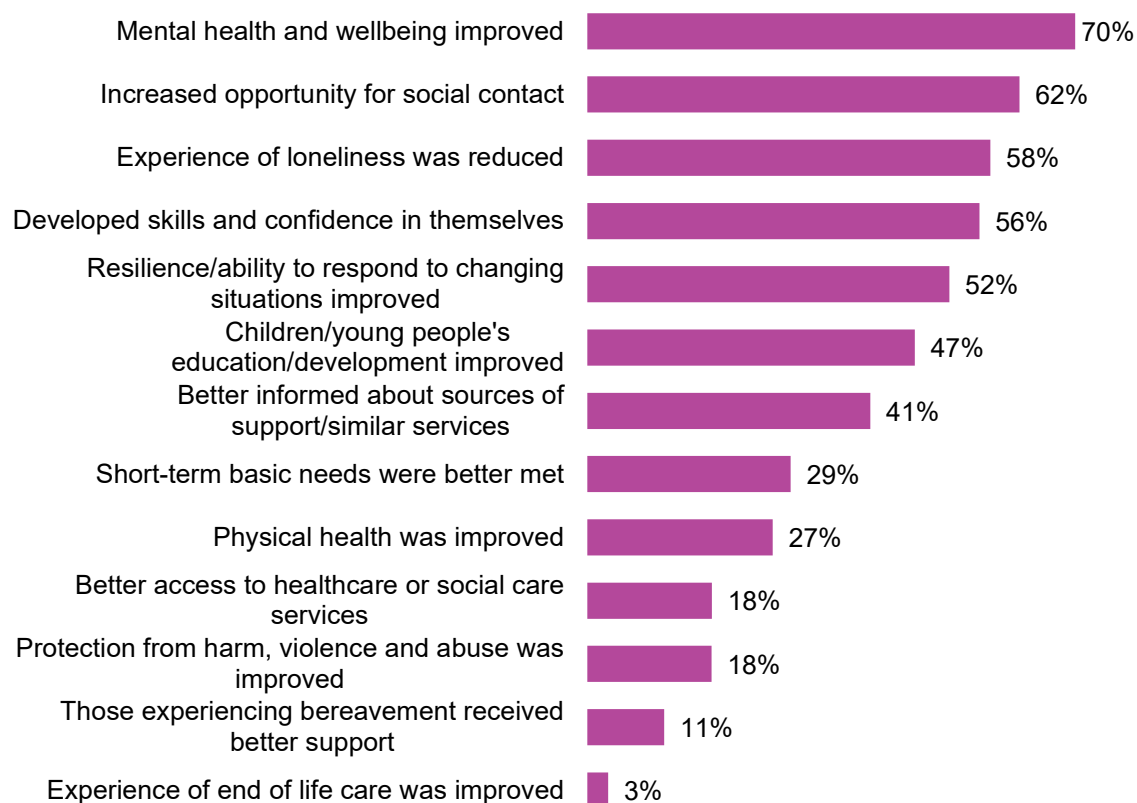
Base: All grantholders excluding the Hospices Fund (2,506).Note: respondents could choose more than one option, so totals do not equal 100%.

When comparing outcomes by organisation size, there were a number of outcomes which were more likely to be reported by larger organisations, including: improved access to healthcare or social care services, better bereavement support, improved mental health and wellbeing, short-term needs being better met and better protection from harm, violence and abuse.

The largest difference was seen in the area of health. Among grantholders with more than 50 staff before the pandemic, 29% reported that people had better access to healthcare or social care services, compared to 17% of grantholders with 2-5 staff and 10% with only one staff member or none. In relation to mental health, 79% of grantholders with 50 or more staff reported that people's mental health and wellbeing improved, compared to 62% for the smallest organisations (only one staff member or none).

Only one outcome (i.e. children and young people's education and development was improved), was more likely to be reported by smaller organisations; 50% of grantholders with only one staff member or no staff members reported this outcome compared to 32% among those with over 50 staff. This aligns to the findings on beneficiary groups, where children and young people were more likely to be supported by smaller organisations (see section 5.4).

Interviews with grantholders

The findings from the grantholder interviews added nuances to the survey findings. They stressed the intersectionality of needs and characteristics of service users. For instance, many grantholders described supporting children and their families, but many of those service users benefitted from non-education related support. For instance, improvements in mental health and wellbeing and a reduction of social isolation or loneliness were regularly described by those grantholders who targeted children and young people. To illustrate some of the outcomes which grantholders achieved, below we provide some of the most impactful examples discussed by the grantholders.

An OGD grantholder that supported people with physical health issues also contributed to the improved mental health of its service users:

> *"We made stroke survivors feel less isolated, feel supported, let them know what would happen to them. Helped with safety – with medicine concerns and health provision concerns."* (OGD grantholder)

One BNI grantholder who used funding to adapt and expand services to support the elderly provided the following individual example:

> *"There was a man, in his mid-60s, a veteran and developed very debilitating condition […] We matched him with a befriender who was also keen on walking, they go on weekly day-long walks, this resulted in his improved mental health, it really supported him, helped their family life, he was feeling more encouraged and happier."* (BNI grantholder)

Another OGD grantholder targeted young people through a combination of existing, adapted and new services. Among the outcomes this grantholder achieved were increased digital capabilities and increased ability of young people to meet their potential. To illustrate this, the organisations gave the example of:

> *"a young man who wasn't engaging, 12 years old. His challenges were not engaging with online learning, he was having challenges in school anyway before the lockdown. The feedback from mum was that our sessions helped the family as whole… quite quickly he was engaging with online learning, we gave that family a tablet which was set up with*

the school portal. His attitude at home changed and he started to engage with online schooling, and generally his mental health improved after just four to five weeks." (OGD grantholder)

There were also examples of outcomes achieved by organisations that did not target any particular group. One CMC grantholder talked about a woman who was pushed into crisis and supported by the grantholder in a difficult situation:

> *"The nurse had a patient, someone she already knew, the woman was identified as suicidal in the morning and this continued to carry on all day. The nurse phoned the ambulance, and as the patient was in a safe space, they took six hours to come. The nurse and other members of the organisation took time to reassure the patient, look after her, and ensure the patient's children who were at school were safe and had somewhere to go. The nurse also ensured that the patient had somewhere safe to go and a care package in place after they were discharged. Without this service the patient may have taken their own life."* (CMC grantholder)

Another such example was a CMC grant recipient that developed a low-cost membership model for a food club:

> *"We have also created a food club where members pay a membership of £5 a year. They don't have to prove they're on benefits to access the club and the club helps those who are homeless, on benefits, who are lonely. People can access food and other things too such as going to have a chat and a cup of tea. We have at least 25 people who this has helped out of social isolation – they were totally alone and now come in once a week, for food and cup of tea."* (CMC grantholder)

Finally, a Winter Loneliness grantholder who developed a community newspaper project to reduce loneliness and prevent social isolation described the effects of the project on the local community:

> *"I think what people were saying was that we cheered them up, we could identify people in trouble. People contributed to [the] newspaper; therefore, it was full of the local neighbourhood and it really reinforced the beauty and security of the ordinary and made the local people feel like part of something."* (Winter Loneliness grantholder)

5.3.3 The Coronavirus Community Support Fund – outcomes for CCSF organisations' service users as reported by grantholders

A similar picture of outcomes for service users emerged for beneficiaries in the CCSF strand. In total, the grantholders of the CCSF strand were estimated to have reached a total of 6.58 million people.

Nearly all CCSF grantholders said that their beneficiaries would have experienced more than one positive outcome, and 81% thought they had experienced four or more beneficial effects (compared to 65% among grantholders in other funding streams). The most common three areas people received support for, as reported by CCSF grantholders, were similar to the issues reported in the other funding streams: improved mental health and wellbeing (86%), reduced loneliness (79%) and increased social contact (70%). For comparison, in the non-CCSF funding streams, grantholders reported benefits in terms of improved mental health and wellbeing (70%), more opportunities for social contact (62%), and reduced loneliness (58%) (Figure 5:2).

How activities / services benefitted service users

Achieved outcomes reported by grantholders

■ All funding streams except CCSF   ■ CCSF
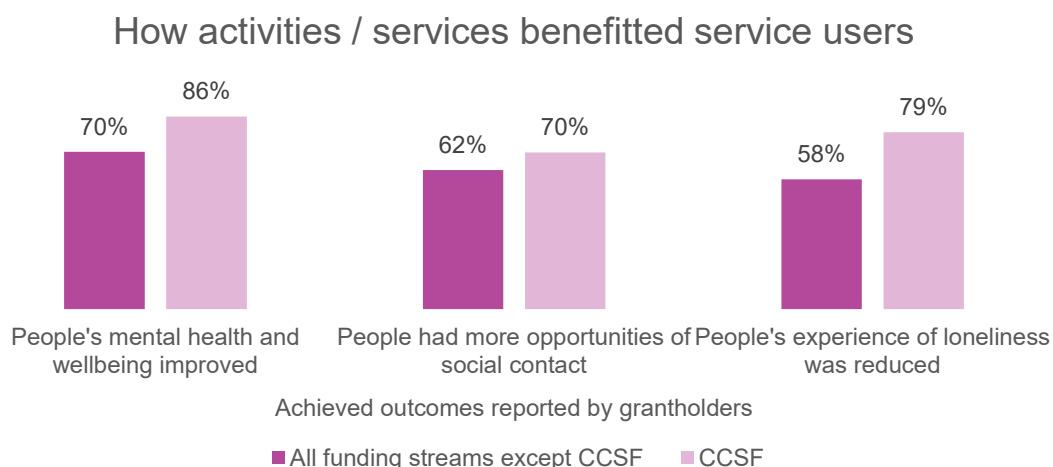
Base: All grantholders (2,506); Base (CCSF): All grantholder survey respondents (6,712).Note: respondents could choose more than one option, so totals do not equal 100%.

CCSF grantholders were more likely to target people with health problems, with 40% supporting those with mental health conditions and 39% supporting people with a long-standing illness or disability. This compares to 27% of non-CCSF grantholders supporting those with a long-term illness, disability or mental health problem, and 16% those with a condition expected to last less than 12 months. On the other hand, fewer CCSF grantholders reached children and young people compared to the other funding streams, 39% compared to 58% (at least in part due to the presence of the Youth Covid Support Fund, within the other funding streams).

5.3.4   Outcomes achieved for service users, reported by service users

The experience of service users was also collected using case studies, which included interviews with service users across 19 grantholder organisations.[29] This section presents findings from these interviews, illustrating the experience of people who received support from grantholders of the funding package. The case studies show that funded support and activities resulted in a variety of positive outcomes for service users.

The case studies demonstrate that grantholders targeted a range of groups when providing the funded services and support. Within the case studies, there were examples of services tailored for families and carers, including activities for children and online support groups for carers. In some cases, the support was designed to respond to the needs of groups struggling with financial problems. This included provision of clothes for children living in disadvantaged circumstances, wellbeing and counselling services for young people at risk of homelessness and classes for unemployed people. Grantholders also provided services for people with disabilities or physical or mental health issues. One OGD grantholder provided services for families with disabled children, including opportunities to go on short breaks. Another provided activities for wounded, injured and sick service personnel and veterans who often suffered from mental health challenges such as PTSD. Services were also provided for older people, who were particularly vulnerable to Covid-19 and loneliness.

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[29] Evaluation of the Voluntary, Community and Social Enterprise Covid-19 Emegency Fund: case studies

A key theme was that grantholders enabled service users to make social connections, including to those at risk of loneliness. One case study interviewee, for example, spoke highly of the befriending scheme that they took part in, saying that without it they, and others they knew, would feel much more lonely. A radio listener also found that a show funded by the VCSE funding package made them feel connected to others at a time when they could not see anyone outside their household. She commented:

> *"it kept me connected…it felt like they were in the room at a time when you couldn't have people in the room."* (Case study service user)

Grantholders also held remote and safe in-person group activities where service users were able to meet. A service user who took part in wellbeing walks said:

> *"it's so fun because you get to meet new people, and I feel comfortable."* (Case study service user)

Some service users found it particularly beneficial to meet others with similar life experiences. For example, a carer who took part in online support groups commented:

> *"It were fantastic actually because I felt like there were other people out there who knew exactly what I was experiencing."* (Case study service user)

For some, there was also a practical benefit as grantholders supported service users with everyday tasks such as collecting food, prescriptions and travelling to hospital appointments. A recipient of food parcels said:

> *"It supported us a lot because it was difficult to get things in from the shops at the time."* (Case study service user)

There were examples of the funded activities resulting in mental health benefits for service users. For example, a recipient of telephone counselling said:

> *"It's definitely improved my mental health, I feel loads better, I've got a lot more coping techniques."* (Case study service user)

Other service users linked improvements in mental health to having something which occupied them. For example, a former member of the armed forces was finding it difficult to access services from military charities or the military itself that would alleviate poor mental health. The service user had experienced very poor mental health before the pandemic which continued when the pandemic began. A grantholder enabled the service user to play golf again and to meet other golfers at events and through online activities.

> *"It gave me the ability to focus on something that wasn't a problem. I needed that lifeline of something and golf just happened to ignite that passion again."* (Case study service user)

Another service user explained that all they were able to do in the first lockdown was to go on walks. The resulting social isolation affected their mental health. The service user began receiving monthly activity packs, weekly check-in calls, and weekly cooking boxes from a grantholder. They also started helping out as a volunteer. This gave them something to feel positive about:

> *"There wouldn't have been things to look forward to. Like, the activity pack was the main thing I got during the lockdown, and going out and helping them, if I couldn't do that the whole situation would have driven me crazy."* (Case study service user)

Some service users spoke about how the funded activities had ongoing positive impacts on their lives. One service user who took part in a programme of horse riding, grooming and yard work commented:

> "It has had such a massive impact on me, in a good way, if it wasn't for them I wouldn't be doing what I'm doing at college now. (Case study service user)

5.3.5 Hospices Fund

The Hospices Fund was one component of the wider VCSE funding package, which was targeted at hospices in order to support the NHS by providing clinical care capacity. The Hospices Fund was created to support these organisations because of a fall in their charitable fundraising capacity at the beginning of the pandemic. The Fund was for all adult and children charitable hospices in England which provided end of life care as their main function, and it provided grant funding to pay for hospices to maintain their existing service provision. Under the funding arrangements, hospices were required to make 80% of their current bed capacity available and 60% of the community contact capacity. This would be used to deliver care for people with palliative needs. This included patients being discharged from secondary care who could be treated using hospices facilities, as well as people whose health had worsened or whose care arrangements had changed and therefore needed more community support. By providing this capacity, hospices were contributing to the NHS' ability to meet non-Covid-19 patients' needs for clinical care during the pandemic.

During the months of May to June 2020, the hospices funded through this arrangement enabled the provision of a total capacity of 951,915 in-patient or at home hospice beds, of which 647,495 were used (a 68% utilisation rate). It also enabled the provision of capacity for a total of 7,430,312 community contacts, of which 4,670,557 were made – a utilisation rate of 63%.

In terms of how far they met their target of providing a certain baseline of capacity (6,400 beds per day and 84,000 community contacts), hospices exceeded the target for bed capacity and fell slightly below the target for community contacts. Over the three months of May, June and July some 951,915 beds were provided, substantially above the target over that period of 625,600 beds. For community contacts delivered, the baseline capacity hospices were to provide per day was 84,000. Across May, June and July this translates into a capacity of 7,544,000 community contacts, slightly above the 7,430,312 which they were able to deliver in practice (Table 5:1).

Table 5:1   Hospice capacity enabled through the funding package

In-patients and at home hospice beds

	May 2020	June 2020	July 2020	Total
Actual capacity	321,265	324,638	306,012	951,915
Baseline capacity	210,800	204,000	210,800	625,600
Variance in capacity from Baseline	110,465	120,638	95,212	326,315
Actual beds in use	236,231	212,885	198,379	647,495
% Utilisation of beds from reported capacity	74%	66%	65%	68%

Community Contacts

	May 2020	June 2020	July 2020	Total
Actual community contacts capacity	1,883,171	2,734,339	2,812,802	7,430,312
Baseline community contacts capacity	2,542,000	2,460,000	2,542,000	7,544,000
Variance in number of community contacts from Baseline	-658,829	274,339	270,802	-113,688
Actual contacts made	1,162,041	1,726,116	1,782,400	4,670,557
% utilisation of contacts from reported capacity	62%	63%	63%	63%

5.4   Who did the funded activities reach?

All grantholders in the survey excluding the Hospices Fund were asked who their work was targeted towards. A minority of grantholders organisations (16%) reported that their support was universal and not targeted at any specific groups. While the other organisations were more targeted, over half (53%) reported reaching more than one service user group. The full range of groups supported as a result of the VCSE sector support funding is shown in Figure 5:3 below.

Over half (58%) of grantholders supported **children and young people** and one-third (33%) provided support to **people at greater risk of loneliness or social isolation**. Support for **people with long-term illness or disability** was provided by 27% of organisations. These were the most commonly reported service user groups.

Support given to individuals from specific groups at risk of marginalisation included **ethnic minority groups** (18%), individuals facing **financial hardship** (18%), people at greater risk of **domestic abuse** (13%), **homeless** people (10%), **asylum seekers and refugees** (10%), and **LGBTQ+** (8%) groups. A smaller proportion of grantholders reported that they supported religious and faith groups (4%) or people at end of life and their families (4%).

When comparing service user groups by organisation size, larger organisations were more likely to support certain groups including: people with a long-term illness or disability, older people, people facing financial hardship, people at greater risk of social isolation, and carers. The largest difference was seen with carers; among grantholders with more than 50 staff before the pandemic 36% supported carers, whereas this dropped to 12% among grantholders with either one staff member or none.

Only one service user group, children and young people, were more likely to be supported by smaller organisations; 60% of grantholders with only one staff member or no staff members reported supporting children and young people, compared to 59% with 2-5 staff, 53% with 6-50 staff and 44% with over 50 staff.

No specific group – support is universal	16%
Children and young people	58%
People at greater risk of loneliness or isolation	33%
People with a long-term illness or disability	27%
Families facing financial hardship	24%
Older people	18%
Individuals facing financial hardship	18%
Ethnic minority groups	18%
People with a short-term illness or disability	16%
People at risk of domestic abuse	13%
Asylum seekers and/or refugees	10%
Homeless people	10%
People dealing with substance misuse	9%
LGBTQ+ people	8%
Religious and faith groups	4%
People at end of life and their families	4%
Carers and those supporting the people above	18%
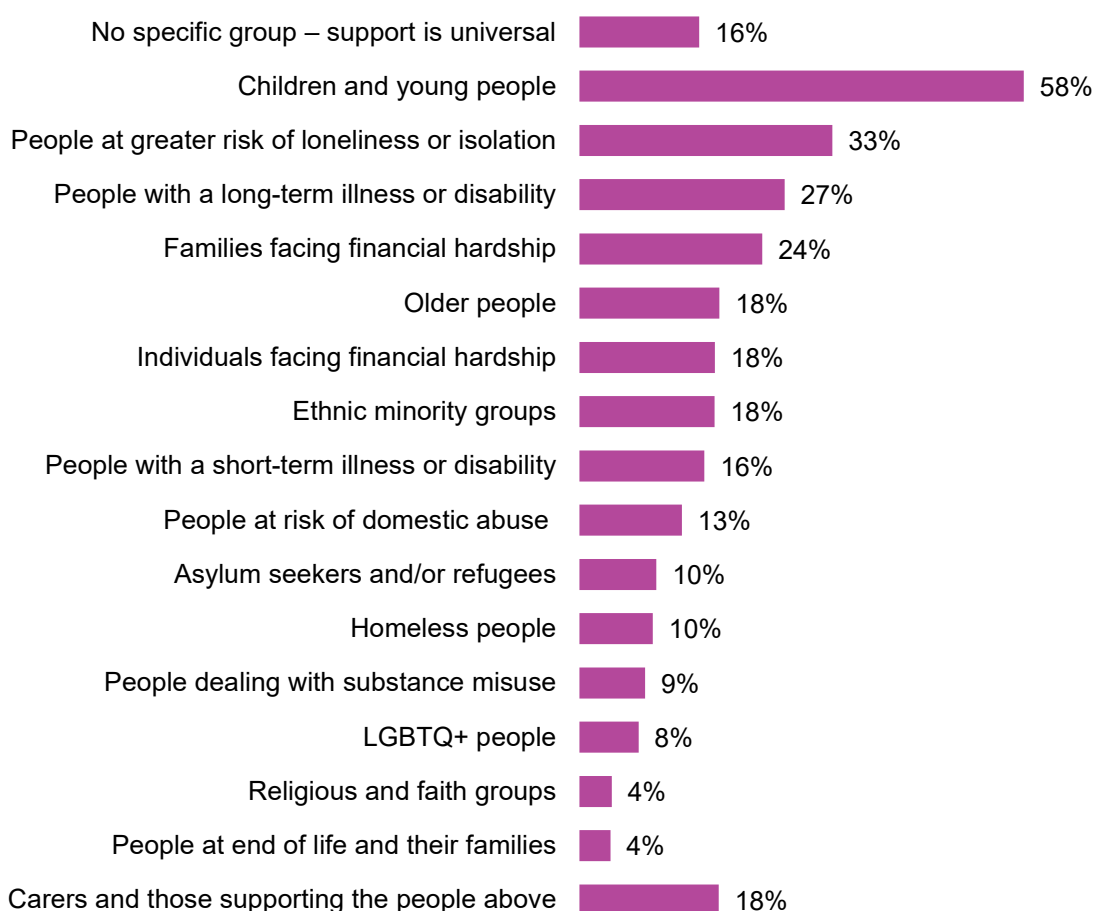
Base: all grantholders excluding the Hospices Fund (2,525).
Note: respondents could choose more than one option, so totals do not equal 100%.

5.4.1 Who did the funded activities reach – service user groups compared by funding stream

Where base size was sufficient (which was the case for four of the funding streams), service user groups were also compared by funding stream. This excludes the Hospices funding stream which was not asked this survey question, and the CCSF grantholders who were evaluated separately.

The **BNI** funding stream aimed to support families and communities to meet the needs of young children, women and girls, those requiring mental health support and those facing insecure housing. Grantholders who responded to the survey were more likely, compared with all grantholders, to report that their organisation reached older people (28% compared with 18%), and people at greater risk of loneliness or social isolation (43% compared with 33%). Over two-fifths (43%) of BNI grantholders reported reaching children and young people which, along with loneliness, was the largest reported service user group for this funding stream. Around one-fifth of BNI grantholders noted that their support was universal (19% compared with 16% across all funding streams).

The **OGD** funding stream aimed to support a wide variety of groups, including: those in financial hardship, children and young people and their families, foster and adoptive families, and care leavers, domestic abuse victims and their children, homeless people, armed forces communities, and those experiencing mental and physical health challenges. OGD grantholders were more likely compared with all grantholders to report that they reached homeless people (30% compared with 10%), people dealing with substance misuse (25% compared with 9%), and individuals facing financial hardship (32% compared with 18%). The most commonly reported service user groups supported by OGD grantholders were children and young people (41%), people at greater risk of loneliness and social isolation (40%), and people with a long-term illness or disability (36%).

The **CMC** funding stream aimed to support a wide range of people in need, including children and young people, low-income families, older people and people with disabilities. Grantholders in the CMC funding stream reported delivering very similar services when compared to all grantholders. This is likely to relate to the broad nature of this funding stream which aimed to support a wide range of beneficiaries. The most commonly reported service user group reached by this funding stream was children and young people (63% compared with 58%).

The Youth Covid-19 Support Fund (**YCSF**) aimed to enable youth organisations to continue operating during the pandemic, with a particular focus on organisations with a high impact which were at risk of closing. As expected, grantholders in this funding stream were much more likely to report reaching children and young people (94%) compared with all grantholders (58%). Conversely, YCSF grantholders were less likely to report reaching older people (1% compared with 18%), people with a long-term illness or disability (7% compared with 27%), or to say that their support was universal and they did not reach a specific group (4% compared with 16%). YCSF grantholders were also less likely to report that they reached people at greater risk of loneliness or social isolation (11% compared with 33%).

While the variation described above indicates the range of aims for the funding streams, it is also worth noting that for all four funding streams, children and young people were the most commonly reported service user group. The second and third most commonly reported service user groups supported across all funding streams – people at greater risk of loneliness or social isolation and people with a long-term illness or disability – were also the second and third most commonly reported groups by BNI, OGD and CMC grantholders. YCSF grantholders' second most commonly reached service user group was families facing financial hardship. Figure 5:4 below illustrates the full range of groups supported across different funding streams.

Figure 5:4   Service user groups by funding stream
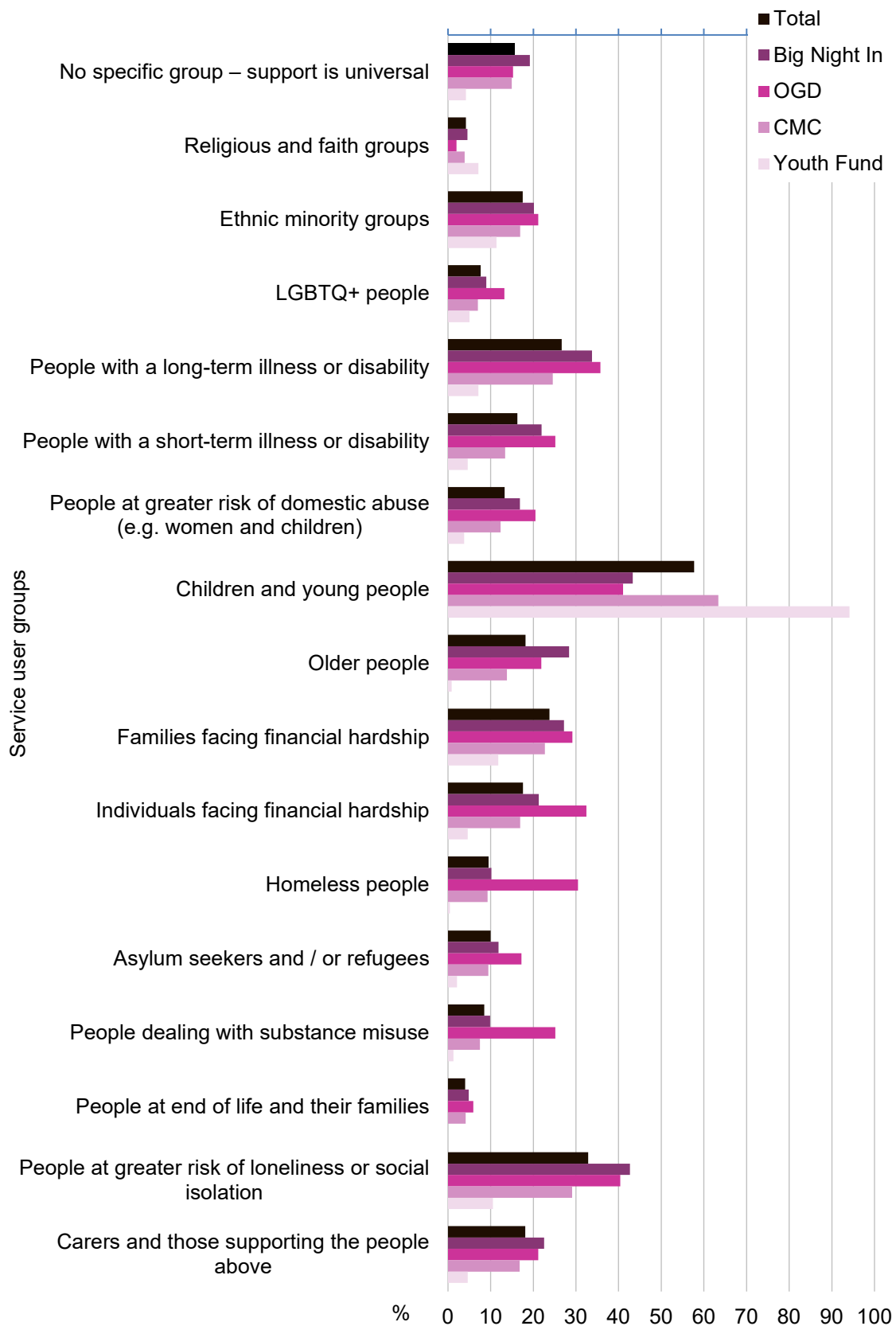
Base: all grantholders excluding the Hospices Fund (2,525).
Note: respondents could choose more than one option, so totals do not equal 100%.

Value for Money: Equity spotlight – Intersecting needs and characteristics

Children and young people constitute the most widely supported service user group. In many cases this support also targeted those children and young people's parents or carers.

There was a large variety of other service users for whom grantholders delivered services, although some of these were not often mentioned by grantholders. BAME and LGBTQ+ communities, for instance, were less frequently targeted by organisations. One organisation supporting BAME communities provided an example of the needs they addressed:

> *"We had a Somali man with six kids in a one-bedroom flat. He was an older man, the mother of the children was back home in Somalia, all the children were under 18. Most of his children participated in our project. They were new to the country and therefore local service providers weren't aware of them, this was especially important as one of the children had some severe learning difficulties. We could help with that and make sure his needs were met, we also provided laptops to ensure they weren't sharing one laptop between six of them."* (OGD grantholder)

Many organisations that targeted a particular group (e.g., children and young people) also said that among their service users were people from a range of backgrounds or with other specifc needs (e.g., people with disabilities or ethnic minority groups). **This suggests that the people targeted were diverse and had diverse, often intersecting needs**. For instance, where service users from ethnic minority backgrounds were supported, this was commonly through services that weren't solely targeting these groups. One OGD grantholder who worked with children and young people, for instance, said:

> *"Our target group is 11 – 25 year olds, boys and girls, 99% BAME children, refugees. Often young people who are involved in knife crime, drug gangs, mental health issues and so on."* (OGD Grantholder)

The case studies reflected wider evidence that the Covid-19 pandemic had a particularly negative impact on the health and wellbeing of low income families with children with disabilities. Support through the funding package, enabled one organisation to provide advice and material support (such as electronic devices, household items, food, and sensory toys). This helped reduce the impact of the pandemic on health and wellbeing of children with disabilities:

> *"*[Without the grant] *the health and wellbeing and financial aspect of disabled children would have worsened during that period."* (Case study strategic staff, OGD grantholder)

5.5   Supporting people and communities to access support and services they needed during the pandemic

Contribution statement 5: the funding package enabled grantholders to support people and communities to access support and services they needed during the pandemic, through a) improving access to public information, b) increasing digital, data and technology capabilities, and c) increasing local community organisation, volunteering and community activity.

In addition to direct provision of services, it was also anticipated that the funding package would enable people to access wider support. The survey of grantholders showed that the funding package was used to deliver this in two ways. It supported people's access to public information, with two-fifths of grantholders (41%) reporting that their service users were better informed about sources of support. It also improved access to online and digital resources, with 28% of grantholders reporting they used the funding to increase access to digital services (including digital equipment, training and internet access).

Grantholder interviewees described their services as helping service users access relevant information. One particular theme in this respect was cutting through the sheer scale and amount of guidance and information that was available to people throughout the pandemic. For instance, one VCSEP grantholder talked about:

> *"support[ing] anyone who dropped through holes among all the guidance and support available."* (VCSEP grantholder)

Service users also described situations where grantholders directed them to further support offers and sources of funding, sometimes providing help with the application process. For example, a foster carer received assistance to apply for money from the Prince's Trust to help support her 18-year-old foster child.

Some grantholders innovated in the way they delivered their services, in particular through the use of digital technology. Some also used funding to increase digital skills and capabilities of their service users. For example, one case study organisation provided young people with laptops to enable them to continue their studies remotely. Another organisation that worked with unemployed people used funding to continue the provision of IT classes.

While many organisations embraced digital technology, we also found evidence that other grantholders deliberately used more traditional means to reach people and communities who may have been at risk of digital exclusion. A case study organisation from the Winter Loneliness Fund worked with elderly people, a group they had not worked with before, with the aim to preventing loneliness setting in. This project was:

> *"deliberately carried out in an analogue way due to digital poverty"* and involved *"creating a community newspaper, of which we did four editions. We commissioned an illustrator, specific to [local town]. People contributed to content."* (Winter Loneliness grantholder)

As a result, the grantholder stressed:

"I think what people were saying was that we cheered them up, we could identify people in trouble. People contributed to the newspaper; therefore, it was full of the local neighbourhood and it really reinforced the beauty and security of the ordinary and made the local people feel like part of something." (Winter Loneliness grantholder)

Some grantholders specifically worked to support community organisations, volunteering and community activity, in particular VCSEP grantholders although this was also achieved in other funding streams. Another case study organisation from BNI used community members as volunteers to deliver gardening growing kits:

"And also, many enjoyed the aspects of helping other people – delivering the kits and helping the wider community, makes others feel good." (BNI grantholder)

5.6   Summary of evidence

This section summarises the evidence available to support the two contribution statements relating to the funding package's impact on people and communities in need and evaluates the strength of the evidence for that statement.

These findings show that, from the perspective of grantholders, a key number of service user outcomes described in the Theory of Change (ToC) were achieved, in particular in the areas of mental health and wellbeing, social contact and loneliness.

The findings also highlight unanticipated outcomes of the VCSE funding, described in the ToC, including people experiencing bereavement receiving better support and people's physical health improving.

Strength of evidence is evaluated in terms of how many sources of evidence there were for each statement, whether data supported or conflicted with the contribution statements, and how far the different sources of data supported each other. Drawing on this, strength of evidence for each contribution statement was as 'Strong', 'Moderate' or 'Weak'.

- **Strong:** numerous sources of evidence, with high convergence of findings;
- **Moderate:** moderate amount of evidence, with general convergence but possibly with conflicting results; and
- **Weak:** limited evidence, with limited convergence of findings.

Summary of evidence to support Contribution Statement 4

➢ Overall, there is **strong evidence** that the funding package contributed to the ability of grantholders to meet the **needs of service users**, which resulted in **positive outcomes** for service users.
➢ However, a caveat to this is that service users' experiences were directly collected only through the case studies. As a result, our data about their outcomes is primarily indirect – collected through interviews and surveys with grantholders.
➢ We have allocated a **strong** evidence rating here due to the alignment of findings from different research strands (quantitative and qualitative) and evaluations (e.g., CCSF and YCSF). However, we are not able to quantify the extent of the impact on service users in total, across the funding package.

Evidence to support the contribution statement	Strength of evidence
• The vast majority of grantholders were able to support service users and contribute to positive service user outcomes, with the most common being 'peoples mental health and wellbeing improved' (70%). Service users themselves provided examples of the varied and positive outcomes for themselves and their families. The CCSF evaluation found that 95% of grantholders said their beneficiaries had experienced more than one positive outcome, with 86% reporting that people's mental health and wellbeing improved. The YCSF evaluation[30] also reported service user outcomes including access to support and safe spaces, and uninterrupted service provision for young people.	Strong evidence (grantholder survey, case studies and interviews, secondary data)
• There was a good spread of different service user groups reached by grantholders, with the survey showing that grantholders supported a wide range of different service user groups. However, there was a particular focus on children and young people (supported by 58% of grantholders), while some other groups were much less commonly reported (for example, people at the end of life and their families, and religious groups – both reported by only 4% of grantholders). The funding also enabled grantholders to reach and support individuals from specific groups at risk of marginalisation, including (not limited to) people at risk of domestic violence (13%), homeless people (10%), and asylum seekers and refugees (10%).	Strong evidence (grantholder survey, interviews and case studies)
• Service users in rural areas (grantholder interviews) or who face digital exclusion (grantholder interviews and case studies) were more difficult to reach, which led a small minority of grantholders to say that they were not able to fully meet the needs of those service users.	Moderate evidence (interviews and case studies)
• A wide range of positive outcomes were achieved for service users reported by both grantholders as well as service users themselves in the case studies.	Strong evidence (grantholder survey, interviews and case studies)
Evidence of contribution from support other than the funding package	**Strength of evidence**
• The vast majority (77%) of grantholders had received grant funding from other sources during the pandemic, which may have been delivered alongside funded activities.	Strong evidence (grantholder survey and interviews)

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[30] The National Centre for Social Research (NatCen) (2022). Evaluation of the Youth Covid-19 Support Fund. Department for Digital, Culture, Media & Sport. February 2022. [Accessed 29 March 2022].

Summary of evidence to support Contribution Statement 5

➢ Overall, there is **moderate evidence** that the funding package enabled grantholders to **support people and communities to access support and services they needed** during the pandemic, through **increasing digital capabilities and access to public information**, or of using funding to **increase community organisation, volunteering and community activity**.

➢ As with Contribution Statement 4, a caveat to this is that service users' experiences were directly collected only through the case studies. As a result, our data about their outcomes is primarily indirect – collected through interviews and surveys with grantholders.

➢ We have allocated a **moderate** evidence rating here due to the some of the supporting evidence came from qualitative and secondary data sources only.

Evidence to support the contribution statement	Strength of evidence
• 41% of grantholders reported that their service users were better informed about available support and other services they could draw on. A minority of grantholders interviewed used funding to help provide access to public information and guidance.	Strong evidence (grantholder survey, interviews, case studies)
• 28% of grantholders used their funding to enable access to digital services (including digital equipment, training and internet access). Only few grantholders during the interviews mentioned they used funding to increase digital, data or technology capabilities of service users.	Moderate evidence (grantholder survey, interviews, case studies)
• The CCSF evaluation estimated that 57% of grantholders used funding to deliver information, advice, and signposting to other support.	Moderate evidence (case studies, secondary data)
• A minority of grantholders used funding to increase community organisation, volunteering and community activity, mainly through the VCSEP.	Weak evidence (interviews)
Evidence of contribution from support other than the funding package	**Strength of evidence**
• The vast majority (77%) of grantholders had received grant funding from other sources during the pandemic, which may have been delivered alongside funded activities.	Strong evidence (grantholder survey and interviews)

6 Impact on volunteers

6.1 Key findings

One-third of grantholders (33%) used the funding to keep on their existing volunteers, and 21% to enable them to begin working with new volunteers. In total, this accounted for 40% of grantholders either maintaining or expanding their volunteer capacity.

Volunteers tended to be involved in frontline service delivery. 69% reported their 'main' activity was in frontline roles, 12% in leadership, managerial or trusteeship roles, and 7% in recruitment, fundraising or technical support roles.

Almost all (around 99%) volunteers reported at least one benefit for them from volunteering. 93% reported more than one positive benefit.

Key outcome areas for volunteers were a sense of making a difference, of having a purpose, and of achievement, as well as benefits to mental health, confidence, social isolation and development of skill and experience.

Generally, there was a high level of commitment to continued volunteering. Almost all said they were either "certain" (63%) or "likely" (36%) to continue volunteering. A caveat to this is that people who had stopped volunteering by the time of the survey were not invited to take part. The sample may therefore be skewed towards those more committed to volunteering.

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6.2 Introduction

The VCSE funding package had two main impacts on volunteers. Firstly, it enabled large numbers of people to either keep volunteering or to become volunteers for the first time. On this theme, this chapter outlines how grantholders were able to mobilise volunteers during the pandemic and the contribution that the VCSE funding package made to this, as well as the contribution of these volunteers to enabling grantholders work. This feeds into one of the wider objectives of the funding package: to ensure grantholders could continue to operate and deliver services, in this case by recruiting volunteers. This section assesses how far the funding package was able to achieve this objective and how this contributes to the evidence base for Contribution Statement 2.

- **Contribution statement 2**: the funding package contributed to the grantholders' ability to **continue and / or expand** core services either through retaining or increasing staff or volunteer capacity, or through collaborations with other organisations.

Secondly, volunteers were also direct beneficiaries of the funding package. Volunteering often has positive effects for those participating,[31] and through the emergency support grantholders received, large numbers of volunteers were enabled to continue or begin volunteering during the pandemic. This benefit for volunteers was not a primary aim of the funding package, but is an important unintended benefit for volunteers. To capture this, the second part of the chapter explores the experiences of volunteers at grantholder organisations, describing the nature of the work they did, how often they volunteered, their reasons for doing so, and how far they reported positive personal outcomes.

Volunteers' reasons for volunteering are also used to consider how far the funding package has contributed to mobilising them during the pandemic. Common barriers for not taking part in formal volunteering include work commitments, doing other things in individual's spare time, and childcare.[32] With more people on furlough due to the Covid-19 pandemic, some of these barriers were removed, enabling more people to get involved in volunteering. This is a potential additional factor in people's decision to volunteer, which is factored into the contribution analysis for the funding package.

Finally, due to the particular circumstances of the pandemic, when there was a widespread desire among people to do their part in a situation of increased need, it was also anticipated that many people would not continue volunteering once those conditions had passed. To assess the sustainability of volunteering mobilised by the funding package, this chapter explores how likely grantholders' volunteers are to continue volunteering after the pandemic.

It should be noted that the volunteer survey was distributed only indirectly by grantholder organisations themselves, and only a minority of grantholders took part. It is therefore not a representative survey. To address this the results of this section are triangulated against those coming from the CCSF survey of volunteers, which achieved a higher level of coverage, and the findings of case studies where qualitative interviews were conducted with volunteers.

Unless otherwise specified, all survey findings reported throughout this chapter refer to the results from the survey of the seven funding streams excluding the CCSF stream. The CCSF funding stream was evaluated separately, and while comparable data was collected wherever possible, findings for this stream had to be presented separately.

[31] Wilson J et al. 'Longer-term volunteering impacts on volunteers and association members/ participants', in Horton Smith D., Stebbins R., Grotz J. (ed) (2016) The Palgrave Handbook of Volunteering, Civic Participation and Non-profit Associations. Basingstoke: Palgrave.
[32] Department for Digital, Culture, Media & Sport (2021). Volunteering and Charitable Giving – Community Life Survey 2020/21. DCMS. July 2021. [Accessed 29 March 2022].

6.3 Role of volunteers within the funding package

6.3.1 Contribution of the VCSE funding package to volunteering

> **Contribution statement 2:** the funding package contributed to the grantholders' ability to **continue and / or expand** core services either through retaining or increasing staff or volunteer capacity, or through collaborations with other organisations.

The VCSE funding package made a substantial contribution to its grantholders' ability to continue working with volunteers, and to increase the number they worked with, during the pandemic. Given that for many grantholders their volunteers are a key part of the workforce, this was an important contribution towards their continued operation over this period.

One-third of grantholders (33%) used the VCSE sector funding package to enable them to continue working with their existing volunteers, and 21% to enable them to begin working with new volunteers. Overall, this accounted for 40% of grantholders using the funding they received to maintain or expand their pool of volunteers. Among organisations that used their funding in this way, the median number of volunteers that were kept on by using the funding was 10 (prior to the pandemic the median number of volunteers working at grantholder organisations was 12). In total, across all grantholders who responded to the survey, this amounted to 51,300 volunteers who would not have been able to work with these organisations **without** the funding.

Of these 51,300 volunteers, approximately 12,100 were new volunteers who were not working with the grantholders before they received the VCSE funding. This is in the context of a total of approximately 251,800 volunteers working with all grantholder organisations before the pandemic.[33] In an average week during the pandemic, the median number of hours contributed by the volunteers to each grantholder organisation that they worked with was 12 hours, or a total of 109,600 hours.

The funding seems to have benefitted smaller grantholders more in terms of enabling them to work with volunteers. Some 38% of organisations with 2 and 5 staff members used the funding to keep on their existing volunteers as opposed to 26% of larger organisations with more than 50 staff.

The use of funding to either mobilise and recruit, or upskill and train, volunteers also emerged from the grantholder interviews. The VCSEP in particular was a mechanism that enabled developing an infrastructure to manage the huge influx of volunteers during the pandemic. This involved building and maintaining a network of organisations locally and nationally and using it to share lessons learned about how needs can be addressed. One sector representative that was also involved in the VCSEP noted that they were able to onboard just over one million people as volunteers. The infrastructure set up through the VCSEP was key in doing so and "led to a more coordinated response" (VCSE sector representative organisation).

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[33] This figure is based on estimates by grantholders of the total number of volunteers working with their organisation before the pandemic began, to give a sense of the overall number of people volunteering.

A similar picture, with organisations using part of the funding to maintain and expand their volunteers base, also emerged from the case studies. In some cases, the overall number of their volunteers did not change significantly. Due to the impact of the pandemic on existing volunteers (particularly those who were clinically vulnerable and had to shield), organisations had to recruit new volunteers to maintain stability in the number of available volunteers.

Conversely, the emergence of new needs, the exacerbation of existing issues, and the health and safety requirements around Covid-19 increased the demand for volunteers. In such cases, pressure increased on the organisations due to the necessity of selecting and recruiting a large number of new volunteers in a short period of time. These pressures were often compounded by the need for new training and for the implementation of Covid-19 related safety measures when delivering services. However, case study participants reported on the importance of volunteers to plug gaps created by new or increased demand and support the work of paid staff:

> *"There was a period where pretty much everyone in the organisation had to deal with a little bit of telephone support for the general public and take shopping lists, until we had enough volunteers to be able to carry out that work."* (Case study operational staff, VCSEP grantholder)

Additionally, some strategic and operational members of staff highlighted that the role of volunteers was not only essential to maintain existing services, they also contributed to the paid staff's health and wellbeing, by reducing their workload, and supporting the day-to-day monitoring of the needs of service users and communities.

6.3.2 Impact of volunteers in the Coronavirus Community Support Fund

Volunteers also played a major role in the work done by CCSF grantholders during the pandemic. The vast majority (81%) had volunteers working with them during the time covered by their CCSF grant, and two-thirds (66%) used their funding to adapt how they worked with their volunteers in the pandemic.

This included over half of grantholders (60%) increasing the number of hours worked by volunteers (a median of 13 more hours per organisation each week), and 39% bringing on new volunteers, equating to an estimated 47,240 new volunteers. Collectively this is a significant contribution to organisations ability to continue operating and delivering their services.

CCSF grantholders also used their funding to improve their infrastructure for voluntary work. They provided training and IT equipment so volunteers could work remotely, they covered costs for equipment so they could work face-to-face (e.g., PPE), and they increased the hours of paid staff or brought on volunteer co-ordinators in order to manage voluntary workers better.[34]

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[34] Based on the CCSF impact report, CCSF reached 6.58 million people. IPSOS Mori (2021). Impact Evaluation of the Coronavirus Community Support Fund: Final Report. Available at: [Accessed 17/02/2022]

Summary of evidence to support Contribution Statement 2

➢ Overall, there is **strong evidence of <u>volunteers</u> having made a contribution to grantholders ability to continue delivering services**, or to increase the level of services they delivered, as a result of the VCSE funding package.

Evidence to support the contribution statement	Strength of evidence
• A substantial proportion (40%) of organisations used the funding to bring on new volunteers or to enable them to continue working with their existing ones. In total among grantholders responding to the survey In total, across all grantholders who responded to the survey, some 51,300 volunteers who would not have been able to work with these organisations **without** the funding package support.	Strong evidence (Surveys with volunteers and grantholders, case studies, interviews, secondary data)
• The CCSF evaluation found that an estimated 4,420 grantholders were able to adapt their volunteer resource to meet an increase or change in demand. 60% of these grantholders increased their volunteer hours, totalling an additional 170,320 hours per week. 39% of these grantholder organisations also recruited new volunteers, totalling an estimated 47,240 new volunteers.	Strong evidence (Surveys with volunteers and grantholders, case studies and interviews)
• Collectively, these made a substantial contribution to their ability to continue operating and providing services.	
Evidence of contribution from support other than the funding package	**Strength of evidence**
• Volunteers may have been more likely to give their time during the pandemic, out of a desire to meet the needs it had created. A majority (59%) of volunteers reported that wanting to do something useful during the pandemic had been a reason for them volunteering. Although the most commonly reported reason for volunteering was that the cause was very important to them (78%).	Moderate evidence (surveys)

6.3.3 The experience of volunteers

Most of the volunteers surveyed tended to be regular volunteers, giving a fairly substantial amount of time to the organisation they worked with. Nearly two-fifths (38%) volunteered multiple times a week and another 44% about once a week. In a typical month, 15% volunteered for between 1 and 5 hours, 21% for 6-10 hours, 15% for 11-15 hours, 14% for 16-20 hours, and 35% for 20 hours or more.

These volunteers reported engaging in a wide range of activity for the organisations they volunteered for, across both direct service delivery, more organisational or background functions, as well as fulfilling leadership roles. Nearly two-thirds (60%) were also working in more than one area. In terms of direct delivery of services, they worked on giving advice or information to people (reported by 33%), helping service users accessing food and essential items (32%), organising or running other events

(27%), befriending work by phone or online (25%), and supporting people to access services like healthcare (24%).

A significant minority volunteered in more organisational roles. For example, 17% were involved as the leader of a group (for example, scouts or guide groups) or a member of a committee; others volunteered in roles getting people involved with the charity (12%), in fundraising (10%), or as a trustee (10%).

When asked what their 'main' activity had been, the most common choice by far was frontline service delivery roles (69%), although 12% selected managerial or leadership functions and 7% supporting roles such as fundraising, recruitment and technical support. Another 11% felt that it was too difficult to select a main activity, as their time was split across many areas. Figure 6:1 indicates the activities that volunteers worked on.

Figure 6:1   Proportion of volunteers working on specified activities
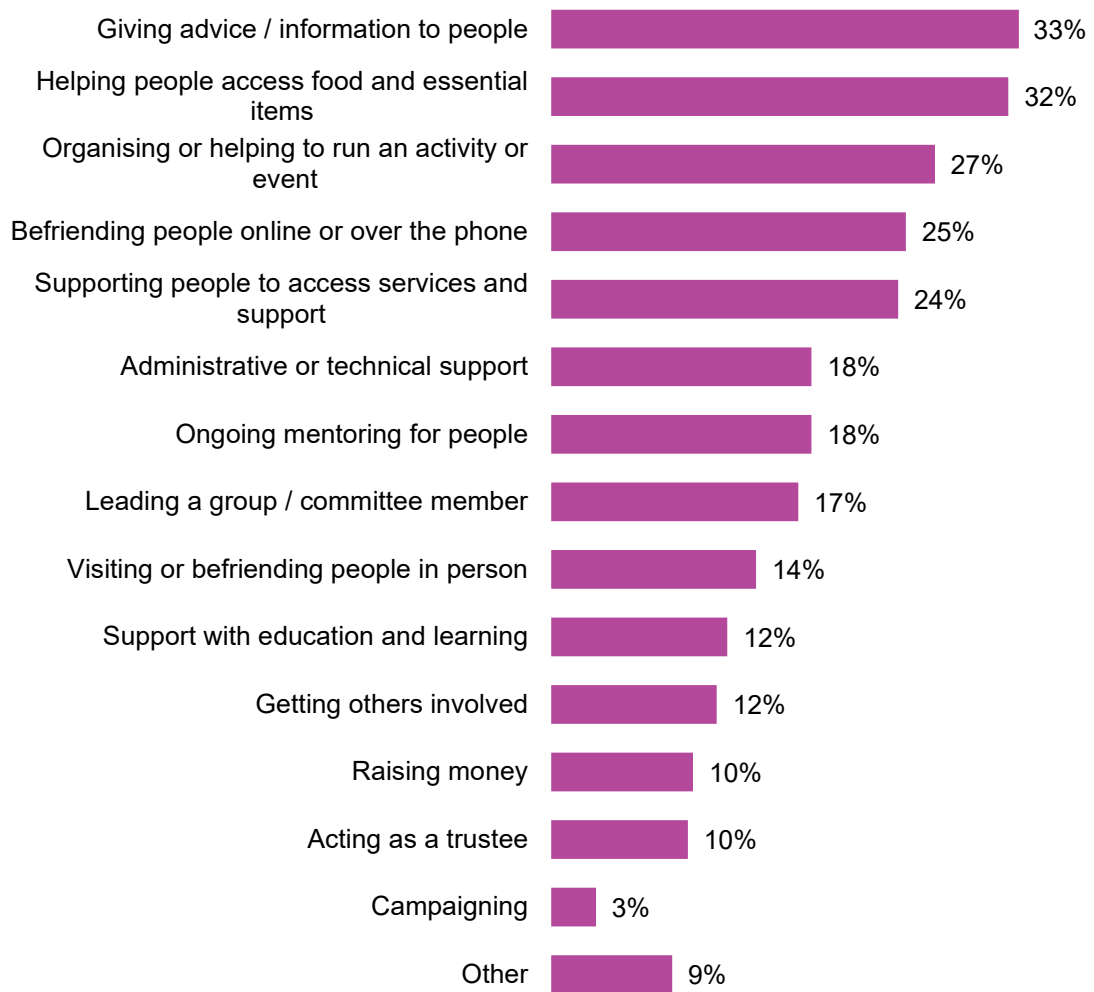
Base: all volunteers (539).
Note: respondents could choose more than one option, so totals do not equal 100%.

Reasons for volunteering

The most common reason for volunteering was a personal connection. In particular, 78% reported that they were volunteering because the cause of organisations was really important to them. The importance of a personal link with organisations was

underlined by the fact that 54% also gave as a reason that they had worked with the organisation before the pandemic. People were also motivated by the circumstances of the pandemic, with 59% saying they volunteered to do their part or make a difference during the pandemic. Other commonly reported factors were a desire to feel connected to their community, reported by 47%, that it's part of their philosophy or religious belief (24%), and that they wanted to improve their own mental wellbeing (23%).

Participants from the case study interviews also reported comparable reasons for volunteering. A member of staff, who was involved in the coordination of volunteers, explained that the social incentive of doing an activity that also has a positive impact on others is really important for volunteers. This reason also emerged from interviews with volunteers who defined volunteering as a way to feel useful and give something back to the community. Some volunteers described a desire to help others and their community in a time of crisis or from having been supported by others in the past, as the primary motivation.

> *"People have helped me and I'm always willing and ready to help out."*
> *(Case* study volunteer*)*

Other reasons for volunteering emerging from the case studies included acquiring new skills, contributing to causes volunteers care about, and having more time available, especially at the beginning of the pandemic.

Some participants included among their reasons to volunteer the desire to connect with other people and stay physically and mentally active. A volunteer and parent of a service user, for example, explained that their participation to their organisation's activities was a way to be involved in something different from the usual routine, something fun, and that it also gave them the chance to meet other parents with similar experiences and make new friends. Another volunteer also explained that volunteering enables them to meet with people they would not usually be able to meet but whose company they enjoy.

Beneficial effects on volunteers

> *"It was one of the most rewarding volunteering experiences I've had. The need was obvious, the logistical exercise was demanding but fulfilling, and you really felt you made a definite difference." (*Case study volunteer*)*

As well as directly benefitting the grantholder organisations, there were also beneficial effects reported for the volunteers. The vast majority of grantholders reported at least one positive effect on them (around 99%), and 93% more than one benefit. For many there was a sense of fulfilment or purpose in their work. Nearly all said they felt they were making a difference, reported by 85% of volunteers, 69% that they were given a sense of purpose by their work and almost two-thirds (63%) that it gave them a sense of achievement. Volunteering also had a range of positive effects on volunteers, including improvements to their mental health and wellbeing (44%), their confidence (32%) and making them feel less isolated (28%). It was also an opportunity to meet new people, reported by nearly half (49%) of volunteers, and to develop new skills and experience (43%) (Figure 6:2 below).

There was a similarly positive view of the effects of volunteering among those who responded to the CCSF volunteer survey. Almost all (99%) reported at least one positive benefit to themselves. These fitted under four broad headings: improved mental wellbeing, increased connection to a local community, reduced social isolation and development of skills. As shown in Figure 6:2 below, the top five benefits were

common to volunteers of both funding streams, and there were a similar proportion of people selecting responses across most options.

Figure 6:2   Proportion of volunteers reporting benefits across CCSF and non-CCSF funded organisations
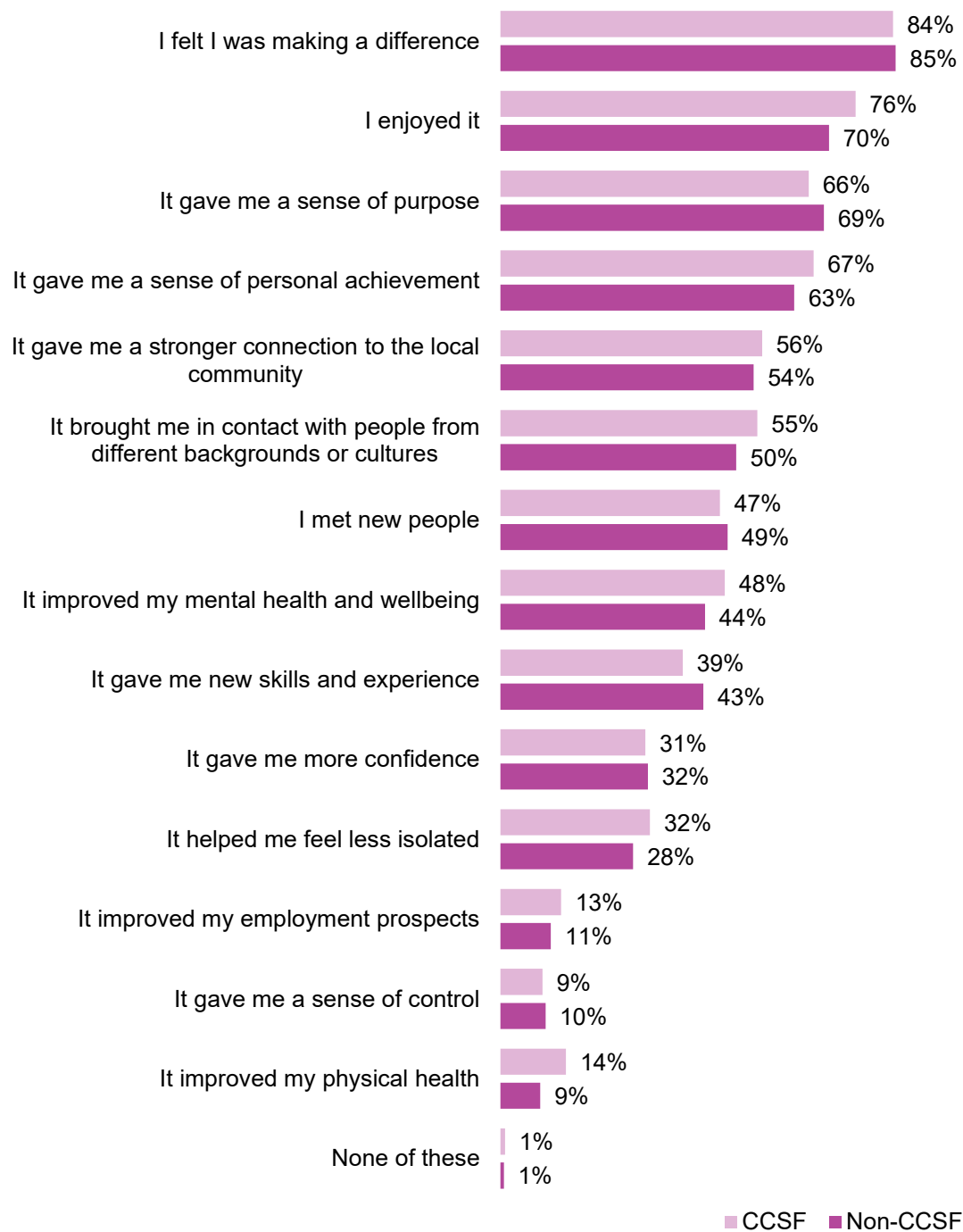
Base: all volunteers (CCSF: 9,466; non-CCSF: 539). Note: respondents could choose more than one option, so totals do not equal 100%.

In interviews conducted with volunteers as part of the case studies, themes such as making a difference, personal enjoyment, and a sense of purpose emerged clearly as drivers for volunteering. Linked to this was a sense of improved physical and mental wellbeing.

[Referring to their experience as a volunteer after the peak of the Covid-19 pandemic and when social distancing rules were relaxed] *"The kids are just amazing. You see, over the weeks, they are initially shy and then after a while they run up to you, hug you, and call you by your name. It does me good as well."* (Case study volunteer)

Volunteers also reflected on the new skills and knowledge they gained through volunteering. In particular, volunteers mentioned digital abilities and knowing how to respond to people's needs. Some benefits are comparable with those experienced by service users (such as reduction of isolation, staying active, and improved physical and mental wellbeing), and these benefits overlap some of the reasons for volunteering listed above.

> *"[Volunteering] is a very holistic experience of remaining connected not just with yourself as an individual and to what matters to you but also with the needs of your community."* (Case study volunteer)

6.3.4 Sustainability of volunteering

Among those volunteers still with organisations at the time of our survey (December 2021 and January 2022), there was a high level of commitment to continuing with their organisation, a commitment that was reflected in case study volunteer interviews. Almost all were either "certain" (63%) or "likely" (36%) to keep volunteering.

When asked what would encourage them to continue with voluntary work in the future, the most common responses were:

- more opportunities to work alongside and socialise with other volunteers (22%);
- the chance to volunteer in a different way or use more of their skills and interests (again reported by 22%);
- more support to learn new skills (18%); and
- more flexibility in their volunteering, either in terms of a more suitable time (15%) or location (14%).

Not having enough time available to volunteer was also described as a potential issue by some of the case study participants. A member of staff involved in the coordination of volunteers explained that their organisation was trying to address this issue through the introduction of "*micro-volunteering*" opportunities (volunteering to do specific time-bound tasks that can be undertaken as a one-off e.g., collecting or delivering groceries, running an errand, or making telephone calls). From the case studies it also emerged that the volunteers interviewed felt supported by their organisation, especially in terms of appropriate training and actions to minimise the risk of an excessive workload.

6.3.5 Changing attitudes to volunteering

An area for future enquiry which emerged from the sector representative workshops was a potential shift in people's reasons for volunteering. This was identified by one participant in the group discussions whose organisation supports volunteers and volunteering nationally. They discussed how the pandemic has influenced volunteering, arguing it has accelerated existing trends in the way people volunteer and who does so. Their experience suggested volunteering has increasingly become about specific causes or outcomes rather than for a specific organisation, although volunteers over 50 still tended to volunteer for a particular organisation or in a charity shop, for instance. This is reported to be particularly true for younger people:

> *"The younger generation are much more cause based. They're less interested in the brand and more in the cause. They don't care about*

which charity does it, they care about the issues. We find they're more engaged with many things that they are interested in." (VCSE sector representative organisation)

During the pandemic traditional forms of volunteering, such as working in a local charity shop became more difficult or even impossible. Instead:

"All that's left is the ability to do something Covid related." (VCSE sector representative organisation)

This change in how and why people volunteer was coupled with an increase in the number of people volunteering who were put on furlough or had more free time due to restrictions on social activity – many of these people being of younger generations than volunteers tended to be before the pandemic. For charities and other organisations who work with volunteers, this means that:

"charities have to now catch up with this and have to realise that more people are gravitating towards the idea that volunteering experience is more flexible, as opposed to a shift in the local charity shop. So everyone has to look again at what people want to do in communities and how charities can do that." (VCSE sector representative organisation)

This, the sector representative organisation recognised, is a task that has to be tackled by the entirety of the VCSE sector and in partnership with DCMS.

7 Role of DCMS and UK government in supporting the VCSE sector

7.1 Introduction

This section discusses the key themes that emerged from grantholders and sector representatives with regard to future support needed from government. Some themes, such as the risk of not hearing about such funding opportunities without established networks (section 3.2.2), or the desire for flexibility in how funding can be used (sections 3.2.2 and 3.2.3), are discussed in previous chapters. This section focuses on those themes that were specifically highlighted when asked what government should do in the future.

7.2 What support grantholders want in future

7.2.1 Using established funding partners

Some grantholders felt that the government could not have done anything better, and some CMC grantholders said that the model of funding used should be replicated in future:

> *"The foundation knew what they were doing as they're experts in carrying out funding packages. This was a positive move by the DCMS – they worked with people / organisations who knew what they were doing."* (CMC grantholder)

Based on interviews with grantholders and focus group discussions, a key driver in the success of the funding package was working with established funding partners in its design and delivery. These partners knew the VCSE organisations, their service users, their services and operations well. Such prior knowledge allowed these funding partners to respond quickly to emerging needs and to channel support quickly and, in many cases, targeted at those most vulnerable.

However, some themes emerged for future improvements. These are discussed below.

7.2.2 Longer-term funding

The most commonly highlighted future type of support was longer-term, more sustainable funding. This, grantholders stressed, was important to help them plan and best support the needs of service users who often require support over a period of years rather than months. Importantly, they also pointed out that the needs arising from the pandemic have not subsided just because the funding package or the first waves of Covid-19 have passed. Many grantholders stressed that the medium and longer-term impacts of the pandemic are only beginning to materialise. As such, grantholders and sector representatives felt that longer-term funding would be critical to help the sector respond to the needs of the people and communities they support.

> *"There is a need to understand that even if the immediate panic has passed for our clients, there are much longer-term impacts down the road. The impacts of furlough, inflation, mortgages will have long-term consequences."* (OGD grantholder)

> *"£750m did stop at [end of] March 2021 but the need hasn't stopped. We need commitment to the current financial year. I noticed everyone stepped up as emergency response but now people don't know what to do."* (BNI grantholder)

Sustainability was a crucial theme that was highlighted consistently by sector representatives and grantholders. Throughout the report, VfM spotlights on sustainability highlighted the changes organisations have made to how they deliver services. For example, how organisations have:

Successfully embedded a range of digital tools and remote working mechanisms that were acquired with funding received under this package.

Acknowledged that at least some of these forms of working and delivering services will be retained in a post pandemic context due to efficiencies gained, not least in terms of staff time and resources.

Reconfigured how and when services are delivered, particularly with the benefit of newly acquired digital tools. For example, instances where grantholders are now delivering sensitive advice and guidance (e.g., counselling) in evenings and weekends – made possible in part due to new tools and ways of working that benefit both the organisation and the service user.

Grantholders achieved a lot with the funding provided, but there is a risk that this could be jeopardised without ongoing government support.

7.2.3 Trust

Another theme was that grantholders wanted the government to trust them and to recognise the value of the services which they, and the sector as a whole, deliver for service users and communities right across the country. They stressed that the services they provide are of a professional standard and that government should recognise this professionalism.

> *"I think there is something about the value of the charity sector, people were doing all sorts and the charity sector was able to deliver so much. I don't want to go backwards from this, and I think a broader recognition is important, I think they need to be respectful about the delivery of the sector. The charity sector can often be more flexible than statutory services"* (OGD grantholder)

Pointing out the professionalism of the services which VCSE organisations offer, a CMC grantholder said that government:

> *"should trust the third sector more to deliver the services which we are best equipped to do".* (CMC grantholder)

This issue of trust was raised consistently across our interviews and group discussions. This often meant government showing a proactivity and a willingness in (a) fully understanding the critical, frontline public service delivery role that the VCSE sector plays; (b) that this role has substantially increased during the course of the pandemic and as the needs of communities become more acute and (c) that government continues to financially support the sector to continue to meet these needs in the form of grant schemes and other incentives.

Some sector representatives also recognised that they have a responsibility to better make the case in relation to the value that the sector has – in economic, health and social terms – and through engagement with government. One, for instance, said:

> *"There are various parts of research saying that voluntary sector doesn't understand government properly, but I think that works both ways, I don't think government has a good enough understanding of the scale and capacity of the voluntary sector. We need to talk to government more to build that understanding."* (Sector representative)

7.2.4 Training for VCSE organisations

Some grantholders who were interviewed said that government could support them with training to improve their capacity, skills, and capability to reach and support service users.

This training could be to improve digital capabilities or strategic planning capabilities. Infrastructure organisations could play a key role in supporting government to build such capabilities. Sector representatives also raised the need for training. They pointed to a growing skills deficit in how to most effectively utilise the digital tools grantholders have acquired using the funding received. The sector representatives suggested the possibility of a skills-based technical assistance facility that could support the sector to strengthen digital skills.

8 Conclusions

8.1 Introduction

This concluding chapter brings together the evidence to assess the overarching hypothesis of the funding package, followed by lessons learned and a discussion of limitations of this evaluation. Finally, a number of recommendations are provided to DCMS and other public bodies to consider when mobilising funding mechanisms in an emergency context.

8.2 Synthesis of findings in relation to the overarching hypothesis of the VCSE funding package

The overall hypothesis of the VCSE funding package was:

By providing direct grant funding to VCSE organisations across the UK, these organisations will be able to meet increased and evolving demand for their services. Funding will also allow them to continue their day-to-day activities supporting people in need.

The evidence gathered as part of this evaluation supports this overall hypothesis, by providing strong supporting evidence against four of the underlying contribution statements, and moderate evidence against one of the contribution statements. This suggests that the funding package was successful in achieving its stated aims and objectives. Some lessons learned, particularly from a fund processes perspective, arose from this evaluation, which may help government when designing and mobilising similar support packages in future. The lessons are discussed in section 8.3.1.

The strength of evidence for each of the contribution statements is summarised below.

Contribution statement	Strength of evidence
VCSE funding package contributed to grantholders' financial position during the Covid-19 pandemic.	Overall, there is **strong evidence** to conclude that the funding did contribute to the financial position of grantholders who were able to support communities during the pandemic.
VCSE funding package supported grantholder organisations to continue and/or expand core services through retaining and/or increasing staff and volunteers, and collaborations with other organisations.	Overall, there is **strong evidence** to conclude that the funding did contribute to the grantholders' ability to continue or expand services in order to meet needs of service users, either through retaining or increasing staff or volunteer capacity, or through collaboration.
VCSE funding package contributed to grantholders' ability to adapt and / or innovate delivery models to provide services and reach existing and / or new service users during the Covid-19 pandemic.	Overall, there is **strong evidence** to suggest that the funding package was used by grantholders for the purpose of adapting or innovating their services or service delivery.

Contribution statement	Strength of evidence
VCSE funding package enabled grantholder organisations to reach and support people and communities in need during Covid-19, which resulted in positive outcomes for service users.	Overall, there is **strong evidence** that the funding package contributed to the ability of grantholders to meet the needs of service users.
VCSE funding package enabled grantholders to support people and communities to access support and services they needed during the pandemic, through a) improving access to public information, b) increasing digital, data and technology capabilities, and c) increasing local community organisation, volunteering and community activity.	Overall there is **moderate evidence** of grantholders using funding to increase digital capabilities and access to public information, or of using funding to increase community organisation, volunteering and community activity.

8.3   Summary of Value for Money findings

As noted in section 2.5.2, this evaluation cannot provide a cost-benefit assessment of the funding package due to the lack of grantholder expenditure data by activity type or outcome area. In addition, there is no counterfactual against which to compare Value for Money. Therefore, this evaluation considers VfM from the point of view of five domains. VfM evidence is summarised in Table 8:1 below for each of the five domains we explored:

- **Economy** – e.g., the value of grants.
- **Efficiency** – e.g., ways in which services were delivered and / or adapted.
- **Effectiveness** – e.g., the achievement of outcomes and desired results.
- **Equity** – e.g., how widely and fairly the targeted service users were identified and reached.
- **Sustainability** – e.g., ways in which grantholder organisations are now more viable and secure than prior to receiving support and what role government can take in supporting a vibrant, agile sector in the medium to long-term.

Table 8:1 includes an assessment of the strength of evidence for each domain.[35]

There are more spotlights relating to sustainability and efficiency and less on the other domains. Overall, the strength of evidence for sustainability, efficiency and effectiveness is strongest, as these domains draw on data from surveys, interviews, and case studies. The strength of evidence for equity is weaker, drawing on surveys and interviews. Economy has the lowest strength of evidence, drawing only on surveys of grantholders.

Efficiency and effectiveness spotlights support our assessment that the funding package has achieved its stated aims: it has supported the financial health of grantholders while providing them with the necessary funding to continue to operate. As a result of receiving this funding, grantholders were able to meet the needs of a large and diverse group of service users, drawing on volunteers to do so.

The vast majority of grantholders used the funding to meet changing and increased demand for their services as a result of the pandemic. They did this by continuing to deliver their existing services despite the lockdown restrictions or by expanding, adapting or adding new services. This particularly illustrates the **efficiency** in how the

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[35] We have indicated the strength of evidence (strong, moderate, weak) in each VfM domain. The strength of evidence is informed by the amount of evidence from different sources.

funding package was delivered, with a focus on supporting the sector to continue to meet the needs of their service users.

Grantholders reported using funding to address liquidity issues and to enable them to continue their day-to-day activities while retaining core frontline staff. This was a key feature of this funding package as it permitted recipients to utilise funding received to address the most pressing issues faced at that time. Grantholders reported that other funding packages were often linked to new projects or interventions developed since the pandemic began. However, for many, before they could adapt or expand services, the first priority was to pay their staff salaries and other day-to-day costs.

The services that grantholders were able to deliver achieved the wide variety of service user outcomes specified in the programme's ToC. Some outcomes, including reduced loneliness or young people being able to meet their potential, were more prevalent than others. From a VfM perspective, and specifically in the context of an emergency funding package, achieving service user outcomes is the primary consideration. Therefore, this funding package was **effective** in achieving its core overall aims.

Grantholders supported a wide range of service user groups, including young people, people affected by loneliness, and people suffering from mental health issues. From an **equity** perspective, this highlights how the funding package was utilised to target people most in need and/or who became even more vulnerable through the impact of the pandemic.

Many service users faced a variety of needs, rather than just one; and for many, a range of different outcomes were achieved: for instance, many young people were supported with their educational needs as well as with reduced loneliness and improved mental health. This therefore highlights the value of this funding package in addressing specific needs/ issues but also intersecting needs which were particularly exacerbated through the pandemic.

Table 8:1	Value for money

Economy

Based on this evaluation, there is weak evidence regarding the economy of the funding package. For instance, there is no data on unit costs, the key limitation in this assessment.

In total, the funding package supported over 14,000 organisations. The value of the grants made through the funding streams covered by this evaluation was £669m. Based on available administrative data, the median size of awards varied substantively. For the CCSF, the median size was £22,675, while for the Hospices fund, the median was £950,920.

Based on responses to the survey of grantholders, the majority of the grants went to smaller organisations and were relatively small in value (64% organisations received up to £10,000).

Strength of evidence: **weak**.
Source: survey of grantholders.

Efficiency

There is strong evidence that grantholders used their funding to adapt services and to collaborate and coordinate with other organisations to meet changing or increasing needs.

A major theme that emerged across the funding streams was that grantholders used the funding to adapt their services, usually to overcome delivery channel barriers. This was a key aim of the funding package. For example, grantholders increased their digital offer due to Covid-19 social distancing regulations, and adapted their face-to-face delivery to ensure safety with PPE and social distancing. Among grantholders who reported their services levels would have fallen without the VCSE sector funding, 52% reported one reason for this would have been that they could not change the way their services were delivered for the pandemic. Funding was also used by some grantholders to coordinate or collaborate with other organisations, often to collect and share knowledge or to ensure the best placed organisation could respond to specific service user needs. As a result, the funding package helped the VCSE sector to respond efficiently based on the needs of service users.

Another key theme was that grantholders were able to use the funding received to continue delivering their existing services. For example, utilising grant awards to pay staff, acquire equipment and to service other day-to-day costs. This was critical and reflects the efficiency in how the funding package was delivered and dispersed, reaching the organisations that needed it to ensure continued service delivery and organisational sustainability during the pandemic.

This was further strengthened in terms of how the funding package was designed and requirements that were placed on grantholders. For example, from funding partner workshops, we know there was a specific aim to make funding applications and reporting requirements as streamlined and focused on must-have information as possible. This was to acknowledge the emergency context and ensure that as much grantholder time, energy and focus as possible was on service delivery. From our research, grantholders highlighted that they felt application processes were largely straightforward and reporting requirements proportionate to the context. For example, 76% of grantholders reported they found the grant application process very or fairly easy (and less than 10% said they found it difficult).

Strength of evidence: **strong.**
Source: survey of grantholders, interviews with grantholders, case studies.

Table 8:1	Value for money

Effectiveness

There is strong evidence that the funding package was effective in achieving its aims – i.e. of supporting grantholders with funding to meet the needs of service users. In an emergency context, and given the fluid, uncertain nature of the pandemic, this was the core priority that this funding package has achieved. Grantholders overwhelmingly reported that they were able to make a positive difference to service users with the funding they received. For organisations with less than 500 staff the funding made up around 30 - 35% of the total amount of grant funding they had received during the financial year 2020/21, indicating that it contributed significantly to the liquidity of these organisations. Only very few (1% of survey respondents) had to close or stop deliver services despite receiving funding.

Strength of evidence: **strong.**

Sources: survey of grantholders, interviews with grantholders, case studies, sector representatives focus groups.

Equity

Based on this evaluation, there is moderate evidence that the funding package reached different groups of service users widely and fairly. Overall, an estimated 21.5 million people, excluding the hospices funding stream, benefitted from the funding package. Children and young people were mentioned as being the group most frequently supported by the funding. 58% of grantholders reported children and young people as a beneficiary group in survey responses. Groups such as survivors of domestic abuse and BAME and LGBTQ+ communities were mentioned less frequently as being specifically targeted. However, grantholders suggested that the people targeted across the funding package were diverse and many often had varied and intersecting needs.

Strength of evidence: **moderate**.

Sources: survey of grantholders, interviews with grantholders.

Sustainability

This evaluation provides strong evidence that most grantholders financial and operational positions are more secure as a result of the funding they have received. In many ways, grantholder organisations are more viable and secure even though some continue to face a challenging financial outlook. 82% of survey respondents were able to maintain or increase their ability to delivery services. 75% of grantholders who used funding to continue to operate reported that their financial health was improved by the funding they received. Many organisations formed new partnerships as a result of the funding as well as many strengthening existing relationships. Some saw this as part of the legacy of the funding received.

Many organisations used the funding for liquidity issues, with some saying they would have had to close down if they hadn't received the funding. For others the impact would have been less severe due to the ability to draw on reserves or reduce staffing levels. Looking to the future, the most prevalent theme suggested by grantholders for future support from the government was longer-term, more sustainable funding. Many organisations felt their needs continued long after the funding ended. For example, at the time of the grantholder survey, 38% of grantholders were very or somewhat concerned about their finances. In addition, while the vast majority (86%) of grantholders had a positive outlook regarding their ability to continue operating at the same or an increased level of services over the coming year, 9% said that they would need to slightly reduce services, 4% that they would substantially reduce services, and 1% that they would close or stop delivering services.

Strength of evidence: **strong**.

Sources: survey of grantholders, interviews with grantholders, case studies.

8.4 Overall reflection, key lessons and limitations

8.4.1 Key lessons

The funding package has achieved its overall aim

Overwhelmingly, grantholders were successful in using the funding to address liquidity issues and to meet the complex and evolving needs of service users that the pandemic created. This was facilitated by the speed with which funding partners reached decisions on grant funding applications and also the extent to which many of the government's established funding partners already knew the applicants. This meant that funds were being dispersed efficiently and in response to the most pressing service user needs. Grantholders were able to reach a wide variety of service user groups. Some, such as children and young people, were more often supported by grantholders than others.

Drawing on the networks and expertise of established and new funders

The funding package's success in achieving its aims can in part be ascribed to the government's approach in partnering with established funders, such as the BNI Partners and other government departments, to mobilise support to the most vulnerable communities. In addition, and reflective of the diverse funding package delivery mechanisms, some funding streams, such as CMC, leveraged additional match funding to the sum of over £100m for grantholders. This involved new partnerships between government and funders that had not worked with government previously. For example, a series of large foundations with extensive networks and delivery arms across the country. These funders and the organisations they fund know the needs of service users well and were able to respond quickly.

Need for greater appreciation of the sector's contribution

All groups of participants interviewed highlighted the need for government to better appreciate and understand the role and value of the VCSE sector. For example, many respondents felt that there was a lack of understanding that the VCSE sector provided a substantial proportion of vital public services, which helped government with their delivery needs. However, throughout the funding process they felt that the expectation was for the sector to feel grateful for the package of support they received. At the same time, sector representatives also recognised that the sector also has a role to play in better communicating its value to government.

Need for greater trust in the sector

Funding leads and sector representatives also highlighted their desire for the government to place more trust in the sector and organisations working within it. This included trust in the systems and processes organisations already had in place for grantmaking and delivery, and trust in the data being reported back. Additional systems of checks were seen as an inappropriate use of time, with organisations having to invest additional resource to support third parties brought in to apply these processes. Many organisations, including representative groups, consistently highlighted that the sector has developed systems, mechanisms, ways of working and processes that have

been embedded over many years. As such, government should afford more trust that this has generated a body of knowledge and learning in terms of mobilising and validating support packages to the sector.

Flexibility is a key strength

Grantholders, sector representatives and many funding partners recognised that the funding package provided grantholders with the flexibility to use funding to meet needs where they arose. For example, the flexibility to draw on funding received to meet immediate and hugely challenging core costs. At the same time they were clear that, while the funding was positive and addressed many immediate needs, it could have been more impactful if this flexibility had been carried further, especially with regard to timelines. While funding had to be spent at the latest by end of March 2021, the effects of the pandemic would continue for a long time after. If grantholders had been able to use funding beyond this point, they felt they would have been able to even better address needs.

8.4.2 Limitations of this evaluation

Differences between funding streams

Each of the funding streams which the funding package comprises is distinct, with different purposes, timeframes, and funding mechanisms. Within each funding stream, there is also considerable variation: the OGD funding stream included dozens of funds delivered through nine departments, for example. What links the funding streams together is the overall purpose of enabling VCSE organisations to continue or adapt services. This evaluation was therefore designed as a funding package-wide evaluation, with a fund-wide ToC and hypotheses, not an evaluation of individual funding streams. This means that the evaluation does not provide assessments of impact for each of the funding streams in detail. In a limited fashion, however, it does draw upon qualitative data to illustrate some differences in the perception of processes where grantholders reported these.

Timelines

Grantholders received and spent funding between April 2020 and March 2021. This means that the time elapsed between the evaluation and the use of funding by grantholders is between 8 and 18 months. Such long periods of time between the funded activities and the evaluation inevitably impacted on recall of dates, impacts or issues encountered, as well as staff or volunteer attrition. The use of different data collection methods mitigates this limitation to some extent by allowing us to triangulate findings.

Absence of data from organisations that were unsuccessful in applying for funding

As specified in the requirements for this evaluation, it included data collection from grantholders who received funding, but not from VCSE organisations who were not successful in applying for funding, did not know about the funding, or for other reasons did not receive funding from the VCSE funding package. Therefore, these findings do not capture reasons for not applying or the experiences and understandings of those who were not successful for funding. It should be noted that the evaluation captured wider views through focus group discussions with VCSE sector representatives.

Absence of financial data and administrative data related to funding streams

In this evaluation, it was not possible to obtain and review financial data and other administrative data related to the different funding streams (not in remit of this evaluation). Primary evidence gathered through this evaluation was largely self-reported, which may have led to some limitations such as social desirability and recall bias. However, rigorous data and methodological triangulation was undertaken (this involved the use and synthesis of multiple data sources, including both primary and secondary sources) which helped enhance credibility and validity.

Survey data

The evaluation was not designed to collect data directly from end beneficiaries, because it was not possible to access a comprehensive sample frame of service users. This means evidence of the impact of the funding package relies on self-reported data, primarily from grantholder organisations. As such, findings reflect the perceptions of grantholders about the impact on their organisations and their service users. Particularly when talking about benefits to service users, these are the views of grantholder organisations – not service users themselves. Therefore the data is limited by how much grantholders' know about service users and does not tell us the extent to which service users benefitted from services they received. Nevertheless, service user views were collected through case study interviews.

Sample coverage

While the survey sample covered the vast majority of grantholders there were a small minority for whom no contact details were available, and who could not be reached indirectly by the organisations which funded them. While this is unlikely to affect the overall representativeness of the survey, it should be noted that the survey is only representative of the grantholders who were included in the sample. In total, the grants given to these organisations were worth £484,296,411, and cover the majority of the VCSE funding package (excluding CCSF).

Service user inclusion in Theory of Change development

Service users were not engaged in the ToC development process, which is often customary, and therefore the ToC may not reflect their experience. This was due to us not being able to engage service users through grantholder organisations at the time, due to lack of time and not knowing which organisations had received grants.

Views of service users

Service users who are highly vulnerable (for example, people who experience domestic abuse, people who are homeless, and people who require end of life care) were not interviewed for the evaluation. Although their experiences were captured anecdotally through interviews with managers, staff and volunteers, the evaluation did not include their direct experience. The views of other service users were captured through service user interviews conducted for case studies.

Case studies

The sampling of case studies was purposive and not representative; therefore they do not represent the whole range of organisations that have received funding. However,

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they exemplify the wide variability of the organisations and explore the rich and complex picture that they have to offer.

Value for Money

There was no counterfactual against which to compare the Value for Money of the funding package and no detailed outcome data on which to monetise benefits. In addition, there was a lack of available and consistent data sources, for example, consistent and comparable unit cost or expenditure data. The grantholder survey was designed to capture information about service users, funded activities, outcomes achieved, and views on application and reporting processes. It was not designed to capture unit cost or expenditure data, which were not otherwise available. For these reasons, this evaluation does not provide an assessment of economy aspects such as unit costs, or of cost-benefits or other quantitative measures of VfM.

8.5   Recommendations

As noted, the funding package was overwhelmingly well received by grantholders and achieved its core aims. Building on this success, some scope for improvements in future funding packages was identified by the grantholders, sector representatives and funding partners. These recommendations are detailed here.

While primarily for the attention of DCMS, these are aimed at providing a series of practical, actionable steps to consider when mobilising funding mechanisms in an emergency/ crisis response context. As such, these recommendations should be applicable to government and public authorities more widely. It should be noted that the recommendations represent not just the views of grantholders who received funding from government, but also the views of sector representatives. This means that wider consideration was given to organisations other than solely those who received grant funding.

R1. UK Government should continue to partner with established funders in the sector to ensure funding is dispersed as efficiently as possible and targeted to those in most need. However, these funders should have a degree of autonomy and flexibility in terms of the processes, funding mechanisms, and due diligence arrangements deemed applicable and proportionate.

Our evidence has clearly highlighted the vital role that established funding partners (i.e., The National Lottery Community Fund, BNI and CMC Partners among others) have had in designing, managing and dispersing funding on such a wide scale and within short timeframes. Indeed, DCMS was both proactive and swift in mobilising such partners in the design of this package. Despite this, focus group participants said that there have been some inefficiencies with introducing fund-wide processes, particularly from an onward grantholder due diligence and audit perspective, over and above established processes and mechanisms that these partners have in place. Where possible, streamlining due diligence processes and affording established funder's autonomy to follow their established good practice will reduce unnecessary delays and paperwork and focus on dispersing funds to those most in need. When partnering with established funders, UK government should give consideration to the breadth and diversity of the VCSE sector. This is important to ensure that the specific needs of, for instance, smaller organisations or organisations advocating the needs of specific communities are represented.

R2. As part of large-scale funding schemes, UK Government should engage 'intermediaries' about how funding interventions are designed, who they are targeted at and managed in practice. This should also include encouraging intermediaries to communicate and raise awareness of funding opportunities among smaller, less networked charities in particular.

A recurring theme across our evidence sources has been the vital, additive role that funding intermediaries have had. Intermediaries could, for instance, be established funders such as The National Lottery Community Fund, or CMC and BNI partners, or local government. In choosing intermediaries, consideration should be given to those that can reach smaller organisations or those who advocate the needs of particular communities. This has had tangible benefits to (a) DCMS / other government department leads – in terms of effective grant management arrangements, consistent monitoring data and quality reporting and (b) Grantholders – in terms of minimising application burden as well as clear relationships and contacts to seek support and guidance where necessary. This also helps to ensure that funding is being directed to areas of greatest need and targeted at reaching the most vulnerable people and communities. This is a particular consideration and benefit to smaller charities who often lack the resources needed to meet complex, detailed applications and supporting documentation requirements.

R3. Government should consider allowing flexibility for the following aspects of future emergency and other funding packages: (a) allowing funds to be spent by grantholders on core running and operating costs, (b) choosing outcomes that funded activities contribute to, and (c) using funding over longer periods of time.

(a) One of this evaluation's strongest themes has been the value and benefit to grantholders in being able to utilise grant funding to spend on immediate, core costs. For example, staff salaries and office costs. This is often the first and most pressing impact of any emergency context. As such, grantholders have consistently highlighted the "*lifeline*" this has provided, in supporting "*keeping the lights on*" type activities, as opposed to funding being tied to the design of new projects or interventions.

(b) Grantholders and sector representatives have also highlighted the benefit of <u>not</u> linking funded activities to unduly prescriptive outcomes. This has empowered grantholders to focus on maintaining service provision on core beneficiaries in an emergency context as opposed to "*fitting*" what they do within predefined outcome categories.

(c) Grantholders, sector representatives, and funding partners felt strongly that the deadline for spending funds at the end of the financial year 2020/21 did not work well. It meant that funded activities had to end even though pandemic-related needs continued. While they acknowledged that budget planning is a limitation, they stressed that many service user needs can only be addressed over longer periods of time. Therefore, government should consider what level of flexibility it can allow depending on the type of activities it is funding.

To aid monitoring and evaluation of programmes that allow for such flexibility, early engagement between grantholders and funders is important. During early engagement, some parameters could be set within which flexibility is afforded to grantholders – for instance, to define a broad set of outcomes from which to select, with corresponding timelines.

R4. **UK Government should examine the feasibility of introducing 'match funding' programmes as a component part of larger funding packages to extend reach and impact. However, this should be managed with caution to ensure that smaller, less networked organisations can benefit. This could be applicable to both emergency response and general funding mechanisms.**

Our evidence has highlighted that the match funding components of some of this package's strands (e.g., through CMC and BNI partners) has been a success. For example, particularly through CMC, this has been a key factor in incentivising large, established grant makers/ foundations to participate in this scheme including first time applicants. In our assessment, this has also had the following benefits that have the potential to be replicable in future emergency response programmes:

Extends the reach and impact that activities can contribute to through new relationships and partnerships at a local level.

Can generate better VfM, particularly on measures of economy, through supplementing public funds with other foundations and channelled towards common outcome areas.

Has the potential to disperse funding to some of the most vulnerable communities through utilising (and in some cases building upon) existing interventions and processes, including areas where government can learn from new partners and vice versa.

R5. **The DCMS Civil Society and Youth (CSY) Directorate[36] should consider how to refresh the focus and role of the Civil Society Stakeholder Group (CSSG). While recognising that Civil Society is a devolved matter, this evaluation has shown that governments across the UK can learn from each other. The CSSG could serve as a forum to involve devolved nations in shared learning and co-production activity focused on the evolving needs of the sector.**

While the VCSE funding package has had a substantial impact in supporting sector organisations and communities over the past 18 months, the medium and longer-term needs of the sector are only beginning to emerge. While services have adapted and a wide range of innovation has been reported, in terms of responding to unprecedented service demand, the infrastructure to support the sector in the years to come is going to be critical. As a central government-led forum the CSSG can be a means to strengthen relationships, share learning and ideas, highlight emerging needs, and help avoid duplication in focus. Clear terms of reference should be agreed including consideration of the role of devolved administrations in such a group.

R6. **DCMS should reflect on the streamlined nature of the application requirements under this funding package and how this could be replicated with longer-term funding processes in mind.**

The majority of grantholders consulted as part of this evaluation found the application processes proportionate and not unduly burdensome. Many also compared this more streamlined approach with experiences from other funding applications, particularly pre-pandemic, citing the VCSE experience to be more straightforward, less complex and quicker to complete.

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[36] Formerly the Office for Civil Society (OCS).

As such, DCMS should consider the extent to which this streamlined set of application requirements could be replicated in funding schemes it designs in future.

R7. For future evaluations of similar emergency funding packages, DCMS should consider what expenditure and cost data (mapped to activities and/or outcomes) to collect from grantholders in advance. An evaluation provider appointed at a later stage would then be able to conduct unit-cost and/or cost-benefit analyses to underpin a more robust VfM assessment.

The need to collect such data needs to be weighed against the burden this may place on grantholders, especially in emergency situations. It may be difficult for grantholders to collect and share such data in the standard format a VfM analysis would require while responding to service user's emergency needs. Therefore, DCMS should carefully consider the extent to which a standard VfM approach is appropriate in an emergency context, when it is unlikely that unit costs or cost-benefit ratios could be compared to existing benchmarks. In the absence of such existing data, a standard VfM approach may not be useful.