

## Insight briefing August 2020

### What we know about the impact of coronavirus on communities and the third sector in Scotland

When the UK went into lockdown in the middle of March, it was quickly evident that communities and those that serve them would need support in responding to the coronavirus pandemic.

**Since 25 March 2020 Corra has reviewed over 4,000 applications seeking more than £26m**

Insights from across Scotland have shown us the impact that coronavirus has had, and will continue to have. There has been a significant response from communities coming together to help each other. In a survey by the Third Sector Interface (TSI) Network<sup>1</sup> 50% of organisations believed there had been improved collaboration and 84% reported that more people were looking out for each other. However, findings from the Scottish Charity Regulator (OSCR)<sup>2</sup>'s survey (June 2020) highlighted that nearly a third of charities had seen a decrease in the number of volunteers and one in five charities reported a critical threat to their financial viability in the next 12 months.

There have been substantive responses with commitment from the Scottish Government, National Emergencies Trusts and many independent trusts and foundations working more flexibly to address need.

At Corra we have been working alongside others to respond to crisis, the challenges and uncertainty, including:

- Working in partnership to support the administration of Scottish Government grant funding programmes.

**Corra has administered 2,700 grants totalling £21.6m.**

<sup>1</sup> TSI Network Survey; <https://www.cvsinverclyde.org.uk/images/TSIScotlandNetworkCovid-19-Survey-002.pdf>

<sup>2</sup> OSCR Survey <https://www.oscr.org.uk/media/3925/oscr-covid-19-research-summary-report-020620-002.pdf>

- Continued to support communities where help has been most needed.

Grants have helped local people co-ordinate responses including food shopping, food and medical distributions, activity packs.

- Provided a platform for people to share their stories about their experiences

People have shared a range of stories about the impact of coronavirus and what matters to them to 'build forward better'.

- Offered ongoing and additional support to Corra existing grantholders.

30 Scottish charities working in international development received small grants to help support the impact of COVID 19 on their organisation.

## We've been listening

The conversations that communities, third sector organisations and individuals have had with Corra staff have helped us increase our own understanding of what has been helping and where support is still needed.

### Ongoing challenges

Reviewing thousands of applications has enabled us to have a greater insight into the pressures that many third sector organisations have been facing. These challenges include:

- The UK Government's furlough scheme, which has been a lifeline, but at the beginning it was not clear who was eligible to apply. Many organisations were reluctant to furlough staff, especially near the beginning of lockdown. However, furloughing staff has been a necessity. As recovery starts and people begin to return to work, we will see the real possibility of restructuring or redundancies. It continues to be an immediate concern for many of the groups that have applied to Corra.
- The majority of third sector organisations would not exist without support from volunteers. As the pandemic struck many volunteers became unavailable due to age or shielding. However, a recent survey from Volunteer Scotland<sup>3</sup> reflected that there has been an increase in volunteering, especially informal support. Volunteering and people giving time are a valuable resource in the third sector. Supporting or sustaining both existing volunteers to return and new volunteers is a further critical issue that many will have to have to consider.

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<sup>3</sup> Volunteer Scotland survey <https://www.volunteerscotland.net/for-organisations/research-and-evaluation/publications/covid-19-research/impact-of-covid-19-on-volunteering-participation-in-scotland/>

- Increasingly organisations have had to rely on their reserves to stay afloat. Pressures on funding to help sustain organisations has meant difficult decisions, with many organisations having to re-plan how money was used just to keep going. The flexibility of independent trusts and foundations has been critical with many organisations able to repurpose or postpone the use of committed funds.

55% of the applications to Corra for the Third Sector Resilience Fund were unsuccessful as others were deemed in greater financial need. Many of these groups were just above the reserves threshold (12 weeks).

The governance bodies of some organisations and groups may already been experiencing pressures before the pandemic, which would have hindered efforts to forward plan and build reserves. Managing money and cashflow whilst finding ways to replenish depleting reserves will continue to be a challenge for many organisations.

- Loss of income has been a huge hit for many organisations, with events cancelled, local fundraisers postponed, and membership fees suspended. Many groups will be looking at how they raise funds in these new phases of the crisis, while being aware people are facing real financial pressures.
- Big shifts to digital service delivery have taken place. Some organisations were well placed to continue some delivery and communication activity, whereas others did not have the skills or capacity. There has been an increase in training around digital and ongoing support for charities to strengthen their digital work – including communications and social media – will be increasingly important.

### Shining a light on the strength of people and communities

The pace of the response has been significant. We have heard about collaborations, connections, and innovation in responding to the crisis while trying to keep the lights on.

Many approaches have been creative, focused on adapting and responding to what was needed in local communities. Many of these responses have been from small agile organisations.

Swaddle was launched three and a half years ago by a local mum looking to offer support to women and children during the early years of childhood. The charity, which was self-sustaining, has rehomed nearly half a tonne of baby and children's clothing each month. This has been done via a dedicated shop working alongside Hamilton District Foodbank, Scotland's Baby Bank, Money Matters Advice Line and the NHS Local Health and Social Care Partnership. Swaddle also offers 20 parent support activities each month to over 160 families.

As a result of coronavirus Swaddle had to close the shop. A grant of £19,000 was made through the Third Sector Resilience Fund to help sustain the charity with money to cover essential overheads. Swaddle recognised that many families were struggling even more due to the impact of the pandemic. A grant of £5,000 was made from the Wellbeing Fund to provide a voucher scheme and deliveries to families who needed baby and children supplies.

It has been clear that the strength in communities is centred around connections. The Third Sector Resilience Fund has been a critical lifeline to many of groups that help build connections, from small playgroups and bowling clubs to community centres.

39% of applications reviewed by Corra through the Third Sector Resilience Fund were for groups with less than £50,000 income.

Collaborating and working with others has increased significantly during the pandemic. The Wellbeing Fund and Supporting Communities Fund has supported an increase in ways in which people were able to come together to help those most in need.

Over £980,000 distributed by Corra has reached people through the Supporting Communities Fund to help local groups respond to emerging needs.

## What's been critical?

### Food

The vast majority of applications Corra reviewed contained some element of helping with the distribution of food and groceries. New collaborations and small groups worked at pace to get food to those who needed it. The following community story illustrates the importance of food: <https://www.corra.scot/community-stories/fernhill-a-story-from-kirstin/>

All nine of the communities Corra works alongside saw food distribution by community groups increase during the pandemic.

### Connections

Corra has seen how quickly third sector organisations have responded, especially in helping keep connections between people. For example, groups moved to deliver services online and grants were sought to provide equipment and meet broadband costs for people. Groups had to overcome challenges involved in delivering online confidential advice or counselling when people are at home and make sure people continued to feel they could access safe and secure support.

Proportion of £2k grants were made to purchase laptops for staff to offer counselling and support remotely.

Insights from communities suggest there is a mix of anxiety and excitement about the possibility of returning to face to face connections. This community story highlights some of the anxieties children and young people are experiencing including returning to school (<https://www.corra.scot/community-stories/superheroes-vs-covid-19/>) A further challenge for organisations will be in carefully considering how this will be balanced with online approaches, taking into account individual needs.

## Navigating the funding system

Reflecting on the past few months, there are many lessons that could help shape the future of funding support:

- Knowing what to apply for and when, has felt confusing for some organisations. Many groups initially applied for support costs for which they were not eligible. Several organisations (10%) applied to more than one fund for different needs. Updating advice on many of the funds based on questions raised by groups offered more streamlined and accessible information.
- There is a need for more adaptive criteria that is responsive to communities that have not been as well served by funding so far.

8% of the applicants to the open-call phase of the Wellbeing Fund were from BAME groups. Only 1% of the applicants to Corra for TSRF were from BAME groups.

- Flexible and trusting approaches are needed to help funding make the greatest impact. Within some of the funds, partial or delayed grants may have been more beneficial. At times we heard there was too much money with groups finding themselves in the challenging position of refusing funds as it would duplicate work already being delivered. Understanding what is needed must be an evolving process, based on the experiences from people in communities.
- Through the coronavirus funding Corra has worked with many new groups that would previously had been ineligible to many of our programmes (for example small constituted groups and social enterprises). This has given us further insight into how daunting it can be to navigate the funding landscape and systems.
- Some organisations had never applied for grant funding before. The application process and provision of financial information was new and resulted in some needing to reapply. There were examples of groups who were unsure of what certain financial terms meant or what documentation was required.

Approximately a third of applications reviewed by Corra were from groups not registered as charities.

## Looking ahead

Poverty has been, and will continue to be, a key feature of the impact of coronavirus in Scotland. It's clear from communities, groups and charities that people who were already facing poverty have faced even greater challenges than others as a result of the pandemic. Poverty and inequality is likely to persist, and potentially worsen as lockdown eases.

The pandemic has created an increased demand for many services, such as food banks and mental health and wellbeing support. While emergency support may not be available in the medium to long term, the impacts will still be felt by communities. It is expected that demand for financial advice and help with immediate food insecurities is likely to increase. Insights also suggest that people will continue to need help around key areas such as employability and social security. There will be an ongoing need for access to broadband and support to use of online platforms, with a risk that some communities could be further marginalised as digital approaches continue to dominate.

As we gradually emerge from the lockdown demand for support will remain, along with newly emerging issues. The third sector will be the first to respond to these challenges. It will be crucial that the sector is supported while it adapts to the ever-changing circumstances.

As funders we need to reflect on how we have responded to the crisis and what needs to change to help the people and communities we exist to serve. At Corra we have heard from people who have valued the ability to have individual conversations to get advice. Relationships continue to be key and funders should continue to offer additional help and support.

We know that application processes need to be as streamlined as much as possible. As funders, we have a responsibility to only ask necessary questions and to ensure application materials are clear and accessible. We need to appreciate how much time and energy goes into applying for funding and play our part in making it as easy as possible.

Funders also need to ensure continued support for small, grassroots groups. These have played an important role in supporting local people during the pandemic and will be at the heart of responses to the social issues that are caused or exacerbated by the crisis.

Flexibility from funders is also imperative. It remains difficult for organisations to know when and how they may be able to resume important services. Fragile finances may also make it difficult for some organisations to make long term plans. Funders must be flexible, understanding and responsive to support organisations through continued uncertainty.

It will be important that future funding programmes address the inequalities that have been exacerbated by the pandemic. This must include proactively reaching out to organisations to

ensure they know what funding opportunities are available to them, as well as learning from their insights of the challenges in communities. Wherever possible, funding programmes should be designed with the people they are aimed towards. This has been challenging in the initial response to the crisis as there was such urgency to get funding to people as quickly as possible. The next stages should allow more space for approaches developed with lived experience at their heart and this is something Corra will be striving to do.

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## About Corra

Corra Foundation exists to make a difference to the lives of people and communities. It works with others to encourage positive change, opportunity, fairness and growth of aspirations which improve quality of life. Corra wants to see a society in which people create positive change and enjoy fulfilling lives.

In 2020 Corra launched a ten-year strategy. It is long term because making a difference on the big challenges will take time. At its heart is the strong belief that when people find their voice, they unlock the power to make change happen.

**[www.corra.scot](http://www.corra.scot)**

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