

2023 State of the Sector Insight Report #1 Cost Of Living





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INTRODUCTION

In our 2021 State of the Sector survey - click here to read - partners from across the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector told us that when looking to the future, one of their biggest concerns was the rising cost of living (COL). We know that since this report was published the COL crisis has significantly deepened, with rising inflation, energy and food costs impacting communities across the UK.

In order to gain a fuller understanding of the issues facing the sector and the communities we serve, BVSC and the Barrow Cadbury Trust held a Cost of Living event on 1st November 2022. The event was attended by over 140 people.

This Insight Report (the first of five such reports based on issues raised in the 2021 State of the Sector) provides a summary of the key themes that emerged from the 12 workshops delivered throughout the day.

To view the agenda from the day, the speaker presentations and biographies, and to access a variety of toolkits, please visit <https://www.bvsc.org/cost-of-living>.

Our sincere thanks to Barrow Cadbury Trust who funded the event and to all who participated.



CONTEXT

On the 5th September 2022, the Leader of Birmingham City Council announced a city-wide emergency regarding the COL crisis. This means that there is now a city-wide strategic group who have been brought together to address the crisis. BVSC is part of this group, representing the VCFSE sector, supporting discussions about how our sector can contribute to wider strategies and exploring what we, as a sector, need from our partners across the private and public sector to respond effectively to this crisis.

Birmingham is a city that is particularly at risk to the COL crisis. Our city is on average poorer than the rest of the UK, we have a higher level of unemployment and a notably poorer quality housing stock. We know that poorer households, living in unstable housing are likely to be most affected by the crisis.

We also know that whilst the COL crisis is happening right now, for many communities the current crisis has simply compounded existing inequalities. There remains an urgent need for a long-term focus that addresses these inequalities. Many of our communities were struggling before Covid and the COL crisis, so as a city, we need to consider what can be done to bring those communities out of poverty, permanently.

Although the COL crisis has impacted communities across Birmingham, it is important to highlight the invaluable work already being done by the VCFSE sector. Organisations within the sector have already played a major role in supporting Birmingham’s many communities and will continue doing so. The staff and volunteers working within the sector were highlighted throughout the event as a true strength for the city.

“

Whatever challenges we face, always remember why we’re doing this,
and the differences we’re making to so many vulnerable people.
We’re helping transform society

”



KEY THEMES

HOUSEHOLDS HAVE SEEN A
45% INCREASE
IN PRIORITY DEBT
FROM SEPTEMBER 21
TO SEPTEMBER 22



**POVERTY RATES
IN BIRMINGHAM
ARE MUCH HIGHER
THAN THE NATIONAL AVERAGE:
ALMOST DOUBLE THE
NATIONAL RATE FOR CHILDREN.
THAT'S OVER
100,000 CHILDREN
AND WELL OVER
300,000 PEOPLE.**

1. ORGANISATIONS & COMMUNICATION

Clear communication and access to information is crucial. Ensuring Birmingham's citizens access all of the benefits they're entitled to, as well as general advice related to COL, is more important than ever. For example, it is thought that 15,000 children currently entitled to free school meals are not accessing them, and 30% of overall benefits are going unclaimed. Birmingham's citizens have a variety of requirements that must be considered, such as language barriers, varying levels of digital literacy and the potential stigma faced by claiming benefits and visiting food and warmth banks.

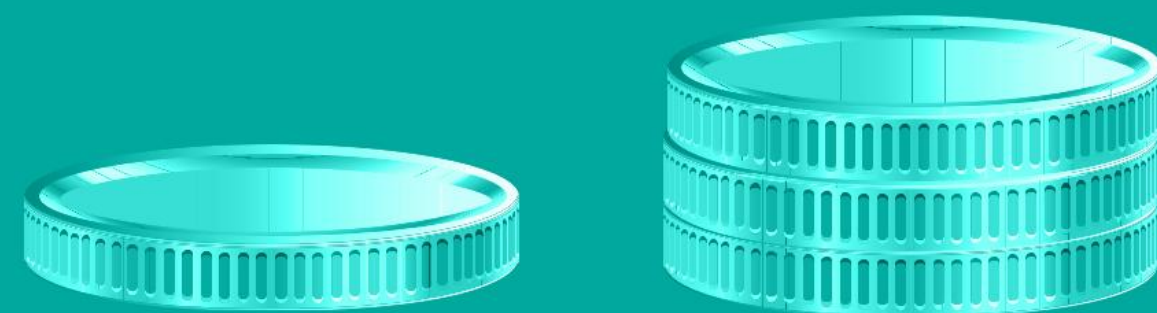
We therefore must consider new and innovative methods to engage with our citizens to ensure they have access to timely, accurate and useful information.

What we know:

- Although there is a great deal of useful intelligence and information held within the sector, it is not always easily accessible to staff and citizens. Certain organisations hold information on their specific area of expertise, but organisations must work together to share information if citizens are to be supported holistically.
- The benefit system is complex and eligibility criteria is confusing. Support staff attempt to navigate through the systems with clients but it's difficult even for those professionals.
- Employment advice is difficult to provide particularly when there seems little advantage for citizens to finding low paid employment and sacrificing the benefits they may be collecting. The security of benefits can be seen as safer than starting a new job. For example, social housing tenants spoke of feeling trapped within the benefits system, wanting a job but concerned about low wages and paying for housing.

Good practice we can build on:

- Some organisations have started to think and act differently about effectively engaging citizens. They are beginning to establish networks to link in via local, neighbourhood level community groups. For citizens who can't afford to travel to the city centre, we heard that some city-centre based organisations are beginning to provide outreach services by providing advice in local community spaces.
- Other organisations told us that they are linking in with community groups who are already established within the community, upskilling staff who already have relationships with local communities in their locality. This approach has been found to be a more effective manner of engaging people than attempting to engage with communities independently.



**THE AVERAGE LOW-INCOME
FAMILY WILL PAY AROUND
THREE TIMES MORE
FOR ENERGY IN 2023-24
COMPARED TO 2021-22.**

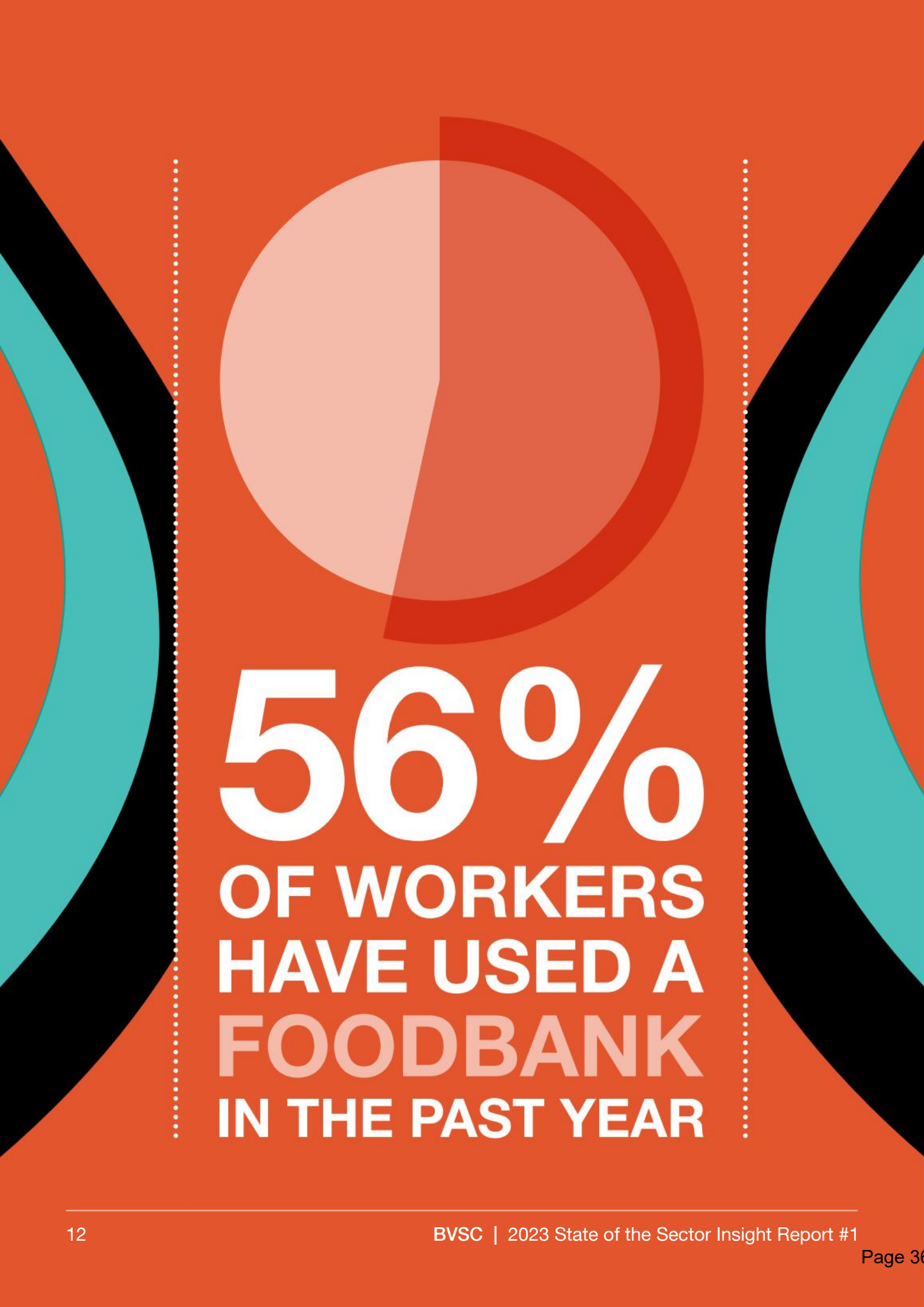


2. PREVENTION & INTERVENTIONS

It was generally agreed that focussing on the here and now is important given the scale of the current crisis. However, organisations stressed that we should not lose sight of the longer-term implications, emphasising how interventions aimed at ‘prevention’ will help in the sustainability of actions being taken today. The COL crisis is occurring at a time in Birmingham where other areas of support have been put under significant pressure due to an increase in complexity and intensity of support needs (many that were exacerbated during the pandemic). It was also identified that certain groups and communities are affected more severely by COL, and therefore broader, more holistic and longer-term solutions would need to be implemented to ensure these groups truly benefit from any action.

What we know:

- Organisations reported that the intensity of needs of their clients are increasing. It is not just about more people needing support, it is about individual clients presenting with more intensive and complicated needs.
- The support that is available is limited and sometimes staff felt that they may overwhelm organisations by referring lots of people to them.
- It was highlighted that desperation, poverty, hunger, profound anxiety, homelessness and the interrelation of several other aspects has the potential to lead to increased criminality in the city. This vulnerability was also seen to lead to a growing risk of people turning to loan sharks and illegal moneylenders.
- It was agreed that nobody in the city should be evicted from their home due to poverty. Birmingham needs to consider ways to keep people in their homes prior to crisis being reached. The difficulties within the social housing sector were also discussed. There was an agreement that rents need to be affordable, but maintenance and repairs also need to happen to keep the housing stock at an acceptable standard.
- Attendees also raised concern about the exempt housing sector (an area BVSC is reviewing within its Quality Standards work).
- The most deprived communities are being hit the hardest and those already below the poverty line will feel the increase in cost of living most acutely.
- People from Black, Asian and other ethnic minority communities are being, and will be, disproportionately affected by the COL crisis compared to white people due to a number of factors which place these groups in positions of greater financial difficulty.
- When food banks are in place, there is the need to consider diversity and diets (e.g., halal etc) so as not to exclude groups.



56%
**OF WORKERS
HAVE USED A
FOODBANK
IN THE PAST YEAR**

Good practice we can build on:

- The wraparound, holistic, person-centred, asset-based support often offered by the VCFSE sector is seen as pivotal to providing support to individuals struggling with the COL. This will be especially important with those citizens presenting with more complex needs.
- Working in partnership with organisations and communities collaboratively is key. The voice of people who are experiencing poverty need to be heard, and this can be supported by



**DATA SHOWS THE NUMBER
OF HOUSEHOLDS WHO
CAN'T TOP UP PREPAYMENT
METERS EXCEEDS THE LAST
THREE YEARS ADDED TOGETHER.**

ITS ESTIMATED THAT
30% OF PEOPLE
ENTITLED TO
GOVERNMENT BENEFITS
ARE NOT
CLAIMING THEM.



3. STAFF WELLBEING & THE IMPORTANCE OF EMPLOYMENT & VOLUNTEERS

It is undeniable that the COL crisis has directly affected the VCFSE workforce, as well as those that they are trying to support. People spoke of the stress that staff are under due to increased capacity and the complexity of issues their clients face, as well as the difficulties organisations have experienced in recruiting and retaining both paid staff and volunteers.

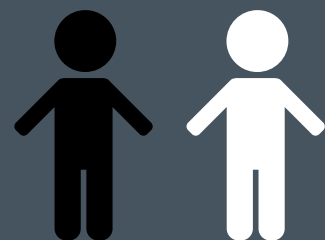
Wellbeing:

- Organisations spoke about how, when complexity of client need increases, so does the pressure on staff dealing with those clients, impacting on mental health and levels of work-related stress. People spoke of the requirement for further support for staff including suicide training.
- Capacity is at breaking point, with staff facing an unprecedented level of need from individuals and communities.
- Numerous staffing challenges were discussed including the difficulties of retaining staff as well as the competition in recruitment across the sector.
- The resilience piece was seen as extremely important and relevant both for staff and for volunteers.
- Organisations are having to consider how to make limited resource go further, whilst also ensuring that their staff and volunteers feel valued and supported.

Volunteers:

- Organisations are seeing a reduction in volunteers returning following the lifting of Covid restrictions. People aren't returning to volunteering, so organisations need to refocus towards being staff-led and being innovative with their volunteer recruitment.
- We heard that there was often a lack of organisational resource to successfully recruit, train and support volunteers – with this 'role' often being an add-on to existing roles within a staff team.
- People spoke of the lack of professionalisation of volunteers and the importance of a route to work through volunteering.
- When organisations were able to recruit volunteers, more volunteers were now needing to claim the expenses they were due (parking, travel etc), adding to organisational costs that weren't previously seen. This, in turn, impacts on the VCFSE sector who may not have those costs built into projects.

**PEOPLE FROM BLACK
AND MINORITY ETHNIC BACKGROUNDS
IN THE WEST MIDLANDS,
ARE ON AVERAGE,
PAID 9.5% LESS
THAN WHITE EMPLOYEES
ACROSS ALL SECTORS.**



**PEOPLE FROM BLACK
AND MINORITY ETHNIC BACKGROUNDS
ARE 2.5 TIMES MORE LIKELY
TO BE IN POVERTY
THAN WHITE PEOPLE**

Employment:

- One in seven (14.5%) of VCFSE organisations across Birmingham employ staff paid less than a Real Living Wage. Therefore, the question of who can afford to work in the sector was asked. People spoke about the importance of employment and the Real Living Wage as a factor to tackle the COL crisis.
- This has the knock-on effect of potentially exacerbating inequality in the sector. It raised concerns about the sector workforce not being representative of the communities we serve and lacking in diversity.
- It was felt that more progressive and innovative approaches to employment were required.
- The resilience, respect and endurance of people living with poverty every day was seen as something to be harnessed. The skills and ideas people have to share should be used for co-production, co-design and participation. Understanding and connecting people and listening to resident's ideas could help to build a better city for the long term.

4. VOICE

It was recognised that the voice of the VCFSE sector, and that of BVSC, is now more important than ever. However, it was felt that we do not currently have the influence we should have. There is an urgent need for the 'sector' to collectively adopt a campaigning role that advocates on behalf of the communities we serve.

5. STEPPING IN & STEPPING UP

There was a view that the VCFSE sector is often seen as a cheaper means of service provision. There is a risk that this can be taken advantage of, weakening the sectors position. Our ability to "Step-In and Step-Up" during times of crisis, demonstrated throughout the pandemic, should not be taken for granted. If we are to be part of the solution, we too need adequate financial and structural support.

6. FUNDING

Future funding for the VCFSE sector was highlighted as a concern. Existing funding was simply not stretching as far as it once did due to rising costs that had to be met. There was also a concern that in the current funding landscape, there was a propensity to focus solely on the current crisis rather than longer-term, sustainable solutions.

This issue related closely to the many neighbourhood organisations who started up during Covid. Some lacked the underlying infrastructure and then needed to close, so there should be learning about maximizing the value of organisations that grow in response to a crisis.

**ALMOST ALL OF
BIRMINGHAM'S WARDS
ARE MORE DEPRIVED
THAN THE ENGLAND AVERAGE –
MOST ARE IN THE
BOTTOM 20% NATIONALLY**



Collaboration

- Research into issues such as the COL crisis needs to be shared, linked and publicised. It was felt that good work is happening, but it can be difficult to find the results, so it’s unclear what the city is focussing on.
- We must avoid working in silos. The VCFSE sector isn’t a homogenous sector. There are lots of different parts of it. We must build connections both amongst ourselves but also across the public and private sectors.

Funding

- Funders need to connect with BVSC, Birmingham City Council (BCC) and other stakeholders in understanding who is doing what, and what funders can contribute to more targeted immediate, medium and longer-term solutions.
- We need to work together smarter. Our response to the COL crisis must be about using local expertise that’s already there. So, for the VCFSE sector, it’s about creating a list of funders who give out individual grants and how to access them.

Workforce & Volunteering

- We need a workforce strategy for the city, focussing on the vacancies in social care especially, but also highlighting the difficulties in finding staff across the VCFSE sector.
- The Let’s make Birmingham a Living Wage City, supported by BCC and BVSC, and a range of other corporate employers should be promoted across the sector.
- There needs to be a renewed focus on employment, and in particular youth unemployment.
- Any Vision for Volunteering for Birmingham needs to highlight and promote the impact that volunteers have made. This will make a real difference to volunteer recruitment and will also help us understand the motivations for volunteering.
- Management of volunteers needs to be robust. Organisations should be provided with support so that they know where they can find more information about best practice in volunteer management.

Information & Communication

- The VCFSE sector holds a vast amount of critical information and expertise. The sector needs to consider an approach to share that information centrally, ensuring that both staff and citizens can access the information easily and effectively.
- The energy crisis may have an impact on behaviour and create change and is an opportunity to educate. We need to help people alleviate the immediate crisis but also think about how to manage energy consumption for longer term.

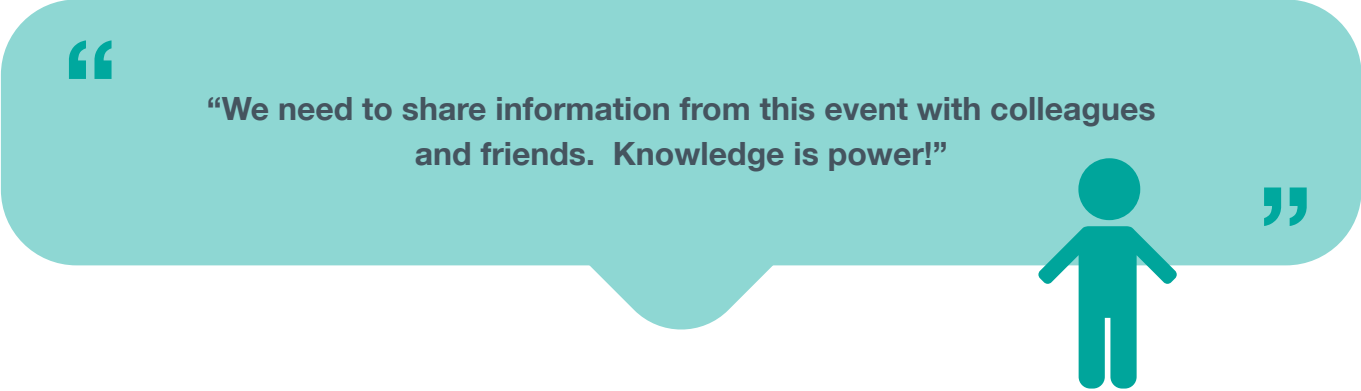
Strategy

- It is crucial that the VCFSE sector plays a central role in the strategies being developed to address inequalities. The current recognition by the Local Authority of the importance and influence of the sector must be maintained and built upon.
- The sector should play an active and integral role across the four identified target areas of action for Birmingham identified by Birmingham City Council (click here to view BCC presentation from the event)
- The city needs to consider a strategy for supporting those who are denied recourse to public funds. Currently, this support is falling on the VCFSE sector with little structural support from the government.
- The sector should be supporting a long-term green investment strategy that tackles rising bills along with a long-term agricultural strategy to see an end to recurring crises around energy and food poverty.
- A strategy to better harness the skills and experience within communities was also called for. Numerous examples of codesign and coproduction were discussed and the benefits these had within, and external to, the sector. The voice of lived experience needs to be heard if services are to be designed in ways that meet the needs of communities.

Crime & the Community

- The PCC will be raising awareness of loan sharks and the existence of community credit unions (affordable social lenders). Whilst community policing is at the heart of rebuilding compassionate policing, the VCFSE sector must be central to communications around this issue for these plans to be effective. The sector already has relationships and trust with those that are most effected and can support community policing to benefit those that most need it.
- We need a renewed focus on recreational/diversionary/engagement activities. Sports and arts clubs in the community, for example, are often pivotal to developing a sense of self-worth and purpose, reducing social isolation and tackling anti-social behaviour. The VCFSE sector are often best placed to provide these activities.

“We need to share information from this event with colleagues and friends. Knowledge is power!”





Research and Consultancy

Conducting research to inform and support the voluntary and community sector and its public sector partners in response to identified needs; consultancy support in a range of areas including strategic planning and values-based approaches.

Evaluation

Providing evaluation of service and delivery models that support innovation and development across sectors and ensures that service provision is evidence-based.

Analysis

Providing analysis and briefings to the third sector around policy developments in the City; increasing the sector's capacity to inform and influence policy.

Learning

Sharing learning with the VCS, providing 'space to think' facilitating dialogue and debate; upskilling the sector to respond to complex issues; sharing resources, intelligence and information from partners to ensure these are circulated to as wide an audience as possible.

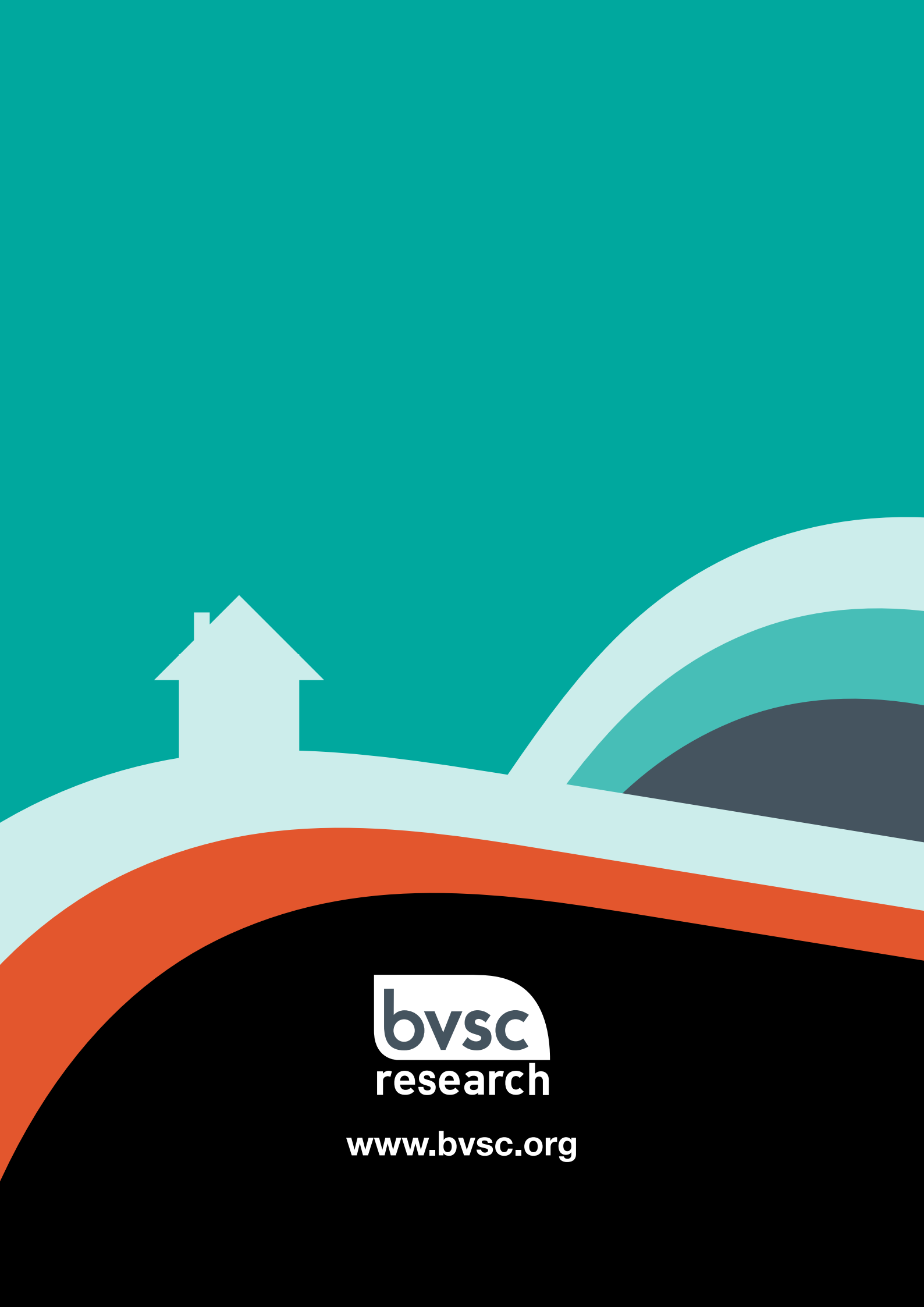
The work of BVSC Research is led and coordinated by our Director of Research, Sophie Wilson. Sophie has worked in the third sector for over twenty five years and has extensive experience in areas including volunteering, social action, criminal justice, homelessness, mental health and substance misuse.

BVSC Research is keen to work in partnership with others and will enlist the support of external partners, consultants and independent researchers as appropriate. If you are interested in becoming an associate of BVSC Research please contact Sophie directly.

BVSC Research is a directorate within BVSC core service provision.

Contact

Sophie Wilson, Director of BVSC Research
Email: SophieW@bvsc.org or Tel: 07765 867869



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