



**THIRD
SECTOR
LEEDS**

Response to the Cost of Living Crisis: September 2022

Key Position

- To mitigate the pressing Cost of Living challenges facing communities, all partners need to mobilise a similar collective rapid response to the pandemic.
- Whilst the third sector is ready to play its part, existing workforce, recruitment and capacity pressures have been exacerbated by rising costs and increases in demand for services, and the pressure on the workforce (particularly front-line staff and volunteers) is significant.
- Statutory partners – working with third sector infrastructure partners - need to collate, coordinate, and communicate clear and consistent public information on the support that is available to communities
- Statutory partners – working with infrastructure partners – need to collate, coordinate and communication clear and consistent information for third sector organisations to aid effective signposting, and enable better coordination across organisations
- Radical and creative action that frees up time for responding to additional need is required. Whilst the sector is doing everything it can, funding pressures mean that organisations are limited in what more they can do without system support.

Context

Throughout the COVID-19 pandemic, the third sector played a critical role in mobilising our city's resources and working collaboratively across boundaries to support communities. The pandemic highlighted the unique insight the sector has into the strengths and needs of different communities, and how we bring the agility and flexibility that is needed to a system response.

At Third Sector Leeds (TSL) we believe that the third sector has a crucial role to play in reaching and supporting people and communities that may 'slip through the cracks' between statutory services. These include newly migrated communities and people seeking asylum, people with long term health conditions, and people living in our most deprived neighbourhoods or experiencing multiple forms of deprivation. These communities are already experiencing the most acute health and social inequalities and are most likely to feel the impact of the Cost of Living crisis the most.

Wherever possible, the third sector continues to mobilise its response to the emerging crisis. Many organisations (including the Leeds Community Anchor Network and Food Aid Network) have been working with the Local Authority to deliver the Household Support Grant to people who need it, and the sector is working with partners to make sure that people who can't afford to heat their homes have somewhere warm to go to this autumn/winter. Third sector organisations also continue to deliver their usual operations including support around food poverty; support and advice around money, debt and benefits; housing support; digital inclusion and access; emotional wellbeing and mental health support; clothes, furniture and equipment. As well as delivering critical services, representatives from TSL and other key strategic networks are committed to continuing to collect intelligence on the impact of the current challenges on communities and to working with our statutory partners to shape a response.

Context (continued)

We believe that we can only mitigate the worst impacts of the crisis on communities by working together to take radical, locally led, collective action – as we have shown that we can do during the COVID-19 pandemic. TSL is acutely aware of the financial challenges that statutory partners face, and will continue to face as the Cost of Living crisis deepens. However, the third sector is also impacted by the same challenges. Rising costs, rising demand, instability and workforce exhaustion may limit its ability to play a full partnership role in meeting the coming challenges without building further on the culture of trust-based investment that emerged throughout Covid-19.

Key Challenges

Funding

Funding for the third sector is increasingly short-term, non-recurrent and insecure. This instability hampers the third sector in forward planning, service development and providing the 'wraparound' holistic services in which it excels.

Organisations are reporting increases in demand alongside rising energy, fuel and competitive salary costs, which are difficult to absorb as contract and funding amounts stay the same.

TSL understands that statutory partner's face significant financial challenges and that there is a reducing amount of discretionary funding available for investment. We also understand that funding streams from central Government have become increasingly short-term and ring-fenced.

In short, we know there are no easy solutions, but when funding is scarcer, there is even greater need to ensure that we have a coordinated approach to support, and that this is targeted to those most in need. We need to continue to work together to use all resources as flexibly as possible, as we did during the pandemic, enabling the third sector to direct partner investment where it is needed over the longest possible period.

Key Challenges (continued)

Recruitment and workforce

The difficulty for organisations is threefold: the current workforce is depleted and exhausted from supporting communities throughout the pandemic and into our current crisis. Organisations have been running with vacancies for long periods of time, and constant recruitment and restructuring require a huge amount of effort and resilience. Whilst this is not unique to the third sector, contracts and funding structures do not allow the sector to offer salaries that are competitive with other sectors, which adds to difficulty recruiting.

In a recent Forum Central snapshot survey of organisations providing health and care services, 14 respondents (47%) expected to lose staff and 16 (53%) expected to have to reduce services without additional support.

A significant additional mental health impact on both staff and people seeking support

Organisations are reporting more people presenting with unmet mental health needs, even to organisations that do not typically provide emotional support. Supporting increasing numbers of people in desperate situations is impacting on the mental health of staff and volunteers. The numbers of people on short-term contracts with low pay, who themselves are struggling is significant in the sector.

Demand

Organisations are reporting rising demand, often from people with a combination of complex health and social needs intersecting with situations arising from the Cost of Living crisis. These require more complex and longer-term support, which inevitably has greater resource implications.

National Response

TSL fully supports the campaigning work of [NCVO](#) and other national third sector infrastructure bodies. Our representative bodies continue to shine a light on the need for concerted Government action.

If additional investment is received from Government, we need a collective approach, to ensure that any funding the city receives from central government is directed to those who need it most with speed and clarity, and with a shared understanding that the third sector will be crucial to achieving this.

Additionally, we support the work of [Leeds Community Foundation](#) in focusing support towards sustaining the sector.

Local Response

Thousands of people rely on our sector's services every day, and these are the people who are most at risk from the effects of the Cost of Living crisis. To ensure support measures have impact and reach those they need to, the third sector needs to be involved from the outset in co-producing planned support that makes best use of our collective assets. This is particularly important when statutory partners want to target limited resources to reach those most in need. This support needs to be:

Longer term

- Short-term funding results in a focus on outputs rather than outcomes, encourages people to engage with third sector organisations in a less meaningful way, and creates fluctuations in staffing and workflows.
- Although there is an understanding that central government funding is devolved to our public sector partners with a specific time-frame to spend it, we should continue to work together to explore ways to flex funding streams, so that they are sustained a responsive to local need.

Local Response (continued)

Co-produced

- There is a good understanding throughout the sector of who is most impacted by the Cost of Living crisis, particularly those with long-term health conditions, those from ethnic minority backgrounds (particularly those seeking asylum or from newly migrated communities) and those living in our most deprived neighbourhoods. These communities are also those who can find statutory services least accessible. The sector successfully helped to target support to these communities throughout the pandemic and will be key in co-producing support again now.
- Some third sector organisations report that speed of roll out of programmes is limiting their ability to shape them around local need, and that in some cases they feel drawn into a level of 'gatekeeping' for services which conflicts with their values. The way that funding for support for communities is allocated needs to be designed with third sector organisations, taking a 'bottom-up' approach, to ensure that we build on what is already working for communities and that support gets directly to those who need it most. This approach worked well during the pandemic and we want to build on this. Third sector infrastructure organisations remain committed to continuing to play a coordinating role to aid programme design; enabling dialogue between statutory partners, local delivery organisations and communities.

Co-ordinated

For the third sector to achieve maximum impact they need consistent and clear access to information about:

- Where investment is being made across the sector, on what terms and to benefit which groups.
- The range of services (particularly emergency response services) that are available to support communities.

Additionally:

- The third sector is committed to sharing intelligence on request, the local authority and health services need to work with third sector infrastructure support bodies to ensure that there is one 'system' ask for intelligence and that this translates into clear, consistent and accessible information about what support is available for communities.
- Infrastructure support, the local authority and health services also need to coordinate clear and consistent information for third sector organisations so that they can effectively signpost.