

Written Response by the Welsh Government to the report of the Equality, Local Government and Communities Committee entitled Impact of Covid-19 on the voluntary sector.

The response to the pandemic, and to the floods which affected many Welsh communities just before it, has highlighted how important the voluntary sector is to the health and resilience of our communities in Wales. The challenges which these events have thrown up have also highlighted the power and potential which lies in voluntary action and community spirit.

I'm proud that we have a culture of volunteering in Wales and a long-standing infrastructure to support this, which includes the Volunteering Wales platform run through WCVA, in conjunction with County Voluntary Councils, who provide local hubs and work very closely with other public services, including local authorities and health boards.

There are great challenges ahead, but also real opportunities to learn from and build on the experience of the last year, not least to harness the power of communities that has been demonstrated so powerfully. I am very clear that our forward planning must be done from a social justice perspective so that inequalities do not become ingrained, and those who have been disproportionately affected are not forgotten. This will determine the sort of society that emerges from the pandemic.

I'm also keen that we find ways to take advantage of some of the positive shifts we've seen around volunteering and partnership working, and local action which could bring real benefits in the medium and long term. A good example of this partnership working is the Coronavirus Recovery Grant for Volunteering.

I would like to thank the members of the Equality, Local Government and Communities Committee for their report on the Impact of Covid-19 on the voluntary sector. I am particularly pleased to see that many of the Committee's recommendations are in line with our current and future plans. I have set out my response to the Report's individual recommendations below.

The Committee recommendations are:

Recommendation 1. That the Welsh Government recognises the role the current voluntary structure has played in improving the pandemic response. We would urge any future Welsh Government to maintain the current third sector infrastructure, and look to identify how these structures can be improved and made even more robust.

Response: Accept

The Third Sector Scheme sets out how the Welsh Government engages and works with the voluntary sector in Wales. The Third Sector Partnership Council (TSPC) is the main mechanism for engagement.

The TSPC established a Covid-19 Recovery Group last year to consider how we can build on the voluntary sector response to the crisis and capture some of the new, positive ways of working we have seen emerge. It has explored how the voluntary sector can contribute to a fair, just and green recovery from the pandemic.

The group has produced a report presented to the TSPC in March and which will be published shortly.

Throughout the pandemic we have seen the value of our third sector infrastructure which has supported and the volunteer response to this crisis. We aim to continue to support this infrastructure and to work with Third Sector Support Wales (Wales Council for Voluntary Action (WCVA) and the nineteen County Voluntary Councils (CVCs) across Wales) to ensure its resilience.

We also aim to ensure that utilising the TSPC as the main point of engagement will allow the voice of the voluntary sector in Wales to be hard wired into future policy development.

Recommendation 2. The Welsh Government monitors any significant shift in the voluntary sector's presence in Wales to enable a future Welsh Government to engage with these charities and encourage them to reinstate a Welsh presence when they are in a position to do so.

Response: Accept

We are very keen to ensure that there is an open dialogue with the voluntary sector in Wales. We are working very closely with our partners and stakeholders including TSSW, the TSPC and other funders to make sure Wales has a strong and vibrant voluntary sector.

The Covid-19 pandemic has seen many of these relationships strengthen. We have worked closely with other funders in Wales and across the UK, through the Wales Funders Forum, to ensure that the variety of funding schemes developed in response to the crisis complemented rather than duplicated each other. We have also worked to ensure that any gaps in support were addressed as quickly as possible.

While we recognise that charities will choose where they are based and how they operate, we will continue to work closely with our partners to ensure Wales is a welcoming and supportive environment where all third sector organisations can thrive.

Recommendation 3. The Welsh Government should work with stakeholders to review the role of the voluntary sector in responding to future emergencies. This should include:

- Clearly identifying and recognising the vital role of the voluntary sector in responding to emergencies;
- Sharing of best practice from the response to both the pandemic and the flooding in 2020; and
- Assessing the extent to which the voluntary sector is integrated into formal and informal emergency planning structures and how partnerships can be strengthened.

Response: Accept

The Welsh Government is committed to working with public and voluntary sector partners in preparation to respond to future emergencies.

A governance structure comprising a number of multi-agency member groups is already established and work together to strengthen preparedness, build collective capability and enhance resilience across our communities in Wales.

The First Minister for Wales chairs the Wales Resilience Forum to focus on the requirements set out in the Civil Contingencies Act 2004 and to support good communication and improve emergency planning across agencies and services. This Forum is supported through a number of sub-groups, one of which includes the Wales Community Resilience Group, which acts as a point of focus and conduit for both the voluntary sector, including the Wales Council for Voluntary Action (WCVA) and responder agencies and to take forward work on community resilience and humanitarian assistance.

This group can be used to bring together emergency planning and voluntary sector partners to share insights and learning from their response to Covid-19 and flooding events and to consider how best to improve, build and strengthen productive working relationships in support of emergency planning structures.

Recommendation 4. The Welsh Government should work with the Third Sector Partnership Council to ensure the forthcoming digital strategy for Wales fully reflects the work of the voluntary sector and the move to digital service delivery.

Response: Accept

The Welsh Government's digital ambitions were outlined in a series of [blogs](#) based on the draft Digital Strategy for Wales, setting out our vision to harness the power of digital tools and technologies for the good of citizens in Wales.

During the publication of the blogs, we invited comments about the strategy's missions and priority actions from all interested individuals, organisations and businesses. We are holding more detailed conversations with a range of stakeholder groups, including the Wales Council for Voluntary Action (WCVA) and voluntary sector organisations represented on the Third Sector Partnership Council. The Welsh Government will continue this dialogue with the voluntary sector to ensure that the Digital Strategy for Wales and the accompanying Delivery Plan reflects its role in service delivery.

The Welsh Government recognises that the voluntary sector is vital to the sustainability of our digital inclusion support across Wales and volunteer networks are already providing a range of support including intergenerational, peer to peer and organisation based champions. Our procured programme Digital Communities Wales: Digital Confidence, Health and Well-being (DCW) is also reliant on the relationships developed at community level to ensure support reaches those in need.

Recommendation 5. The Welsh Government should review the effectiveness of partnership working across Wales during the pandemic. The review should identify good practice that can be replicated across Wales and consider whether there is a need to strengthen formal mechanisms to ensure there is meaningful co-production and partnership working between statutory bodies, non-statutory bodies, and citizens.

Response: Accept

The TSPC Covid-19 Recovery group report has identified the importance of strong relationships and partnership working during the pandemic and beyond. We will be developing internal and external Volunteering Leadership Groups to take forward the recommendations of the report in the coming months.

We will continue to utilise the TSPC as our main engagement mechanism with the voluntary sector in Wales. We are also working with a range of stakeholders across sectors. These include the WLGA, One Voice Wales, Building Communities Trust, funders and many others.

The Welsh Government has surveyed Local Authorities and CVCs to collect information on services provided for non-shielding vulnerable people. The findings are summarised in this [report](#):

We have also developed the Coronavirus Recovery Grant for Volunteering. This grant has supported 27 projects across Wales which aim to develop better strategic partnerships between the public and the voluntary sectors. These projects aim to build stronger relationships and improve the strategic approach to volunteering in Wales.

Recommendation 6. The Welsh Government should work with the voluntary sector to identify areas across its work where volunteering can support the post COVID-19 recovery, public services and well-being.

Response: Accept

As stated above we have already started this work in establishing the TSPC Covid-19 Recovery Group. As part of taking forward the recommendations in this group's report we will establish internal and external Volunteering Leadership Groups.

We have also developed an action plan for the work of the TSPC's sub-group on Funding and Compliance. The action plan was presented to the TSPC in March and will be published shortly.

Recommendation 7. The Welsh Government should develop a programme of empowering communities across Wales with the voluntary sector, acting as an enabling state for community action. We support the WCVA's call for this to include a Community Wealth Fund and legislation to provide greater ability for communities to be involved in local action.

Response: Accept

We will continue our work to ensure that Wales has a strong and vibrant voluntary sector which supports community action.

We will also continue our ongoing dialogue with the voluntary sector in Wales to establish what action the sector itself believes is necessary to encourage communities to become more involved in local action.

Recommendation 8. The Welsh Government should work with stakeholders to explore opportunities to enable new community groups formed during the pandemic, who wish to continue and have been successfully supporting their local communities, to receive the support and advice they need to carry on their work.

Response: Accept

We are already working with Third Sector Support Wales (TSSW) and funders across Wales to ensure our joint support infrastructure is complementary and is fit for purpose to provide support where it is needed.

TSSW members have been responding to the challenges the pandemic has created. TSSW is already providing a variety of support for newly established groups, including carrying out DBS checks, supporting groups with training and governance issues and of course providing funding to support the groups' activities.

We will continue to work through the third sector infrastructure to make sure support is available to these groups to ensure they can become more resilient and sustainable without stifling the creative ways of working they have developed.

Recommendation 9. Building on the Third Sector Resilience Fund, the Welsh Government should provide funding to increase the resilience of the sector and its ability to play its part in immediate support for communities during the recovery. Given the length of the crisis, consideration should be given to extending this beyond the current financial year.

Response: Accept

The last year has seen the voluntary sector rise to the challenge of supporting our most vulnerable people through an unprecedented crisis. I am pleased the Welsh Government has been able to provide funding to enable this response. We have provided a total of £38.2m for the Covid-19 Third Sector Response Fund in 2020-21.

One of the funds we have made available through the Response Fund, delivered by the WCVA is the Third Sector Resilience Fund. This has allowed organisations to survive the crisis and to adapt and improve for the future. We do not yet know what challenges recovery will bring and we remain committed to supporting the voluntary sector in Wales. We will continue to work with the sector to identify and respond to emerging needs as recovery progresses. That said, longer term funding decisions remain a matter for the next administration.

Along with the Third Sector Resilience Fund we have been working with the Charity Commission on a project which has the potential to release up to £20 million for the benefit of Wales' communities. The project will revitalise dormant trusts and charities in Wales bringing these back into operation, serving their communities of benefit.

It is also worth mentioning here that we are committed to continued support for the third sector infrastructure in Wales. This allows TSSW to in turn provide support for the more than 30,000 voluntary sector organisations across Wales, helping them to develop resilience and become more sustainable.

Recommendation 10. The Welsh Government should work with the Wales Funders Forum to help funders continue to share information and work collaboratively post pandemic.

Response: Accept

Throughout the pandemic we have been engaged with funders across Wales and beyond. We have worked with the members of the Wales Funders Forum including the National Lottery, Moondance Foundation, Lloyd's Foundation, Community Foundation Wales and many others to share information and ensure we co-ordinate our support. It had been an extremely useful process which has meant we have developed funds which complemented rather than duplicated provision. It has also ensured that gaps in support are covered quickly.

We are very keen to continue this work in the future and we consider it will be a key component of a fair and just recovery from the pandemic.

Recommendation 11. The Welsh Government should, where appropriate, examine and investigate allowing unspent funding to be carried forward into the next financial year.

Response: Accept

The TSPC Sub-group on Funding and Compliance has already started looking at this issue and it forms part of its action plan. The matter is not straight forward and will need to be investigated carefully with the involvement of both internal and external stakeholders.

Some of the issues that need to be considered are:

- The Welsh Government has to operate within the budgeting and financial reporting requirements set out by HM Treasury and as voted by the Senedd, which includes limitations on annual expenditure and strict limitations on carry forward between financial years.
- The Welsh Government cannot offer flexibility to funded entities outside those arrangements.
- This does not mean the Welsh Government cannot manage funding arrangements or contracts over more than one financial year, simply that if such arrangements are in place, the annual expenditure must be properly brought to account and reported to the Senedd.
- The Welsh Government is reviewing arrangements for contracts and grants with the voluntary sector mindful of the burden the cyclical tendering or application process can place on small organisations, any future developments in this area will need to meet the requirements of fair and open procurement and grant awarding.
- Where a recipient of funding underspends, that is typically a consequence of slippage or delays to delivery of activity. The Welsh Government should not, for good financial stewardship, provide funds where activity is not delivered, however, that does not mean that programmes and projects cannot be managed year to year. Arrangements already exist for the extension to grant terms and conditions.
- Similarly Welsh Government is able to make advance payments in certain circumstances to voluntary organisations where cash-flow challenges exist, and has made good use of this capability in supporting the recent Covid-19 response.

Recommendation 12. The Welsh Government should take into account the particular challenges faced by Black, Asian and Minority Ethnic voluntary sector organisations, when considering funding for the third sector. This should include considering any additional barriers Black, Asian and Minority Ethnic groups may face

in accessing funding administered by the Welsh Government and work to minimise these barriers.

Response: Accept

We are committed to continuing to work with our third sector infrastructure to look at what can be done to identify and to tackle the additional barriers faced by some parts of the sector specifically those from Black, Asian and Minority Ethnic groups.

The current consultation on the Welsh Government Equality and Inclusion Fund and the forthcoming consultation on the Race Equality Action Plan will inform future action.

Recommendation 13. The Welsh Government should consider and reflect on the findings from Community Foundation Wales Loud and Clear report and encourage funders to support core costs so organisations have the freedom to adapt in ever changing situations to sustain and develop key service or programme outcomes.

Response: Accept

As we have already said we are continuing to build on the relationships we have developed with the Wales Funders Forum members and other funders. Part of this will enable us to work collaboratively to support the funding needs of the voluntary sector in Wales.

The work of the TSPC Sub-group on Funding and Compliance will also influence our continuing work in this area.

However, we must also consider that funding is only part of the picture in developing a vibrant and resilient voluntary sector in Wales. Voluntary sector organisations also need the right skills. We believe that our third sector infrastructure will be vital in helping organisations to develop these skills, to improve governance and improve the future resilience and sustainability of the sector.

Recommendation 14. The Welsh Government should make representations to the UK Government regarding the impact of current international obligations in relation to State Aid rules on support to the charity retail sector.

Response: Accept

Throughout negotiations on the terms of the UK-EU Trade and Cooperation agreement the Welsh Government proactively engaged with the UK Government on the development of the UK subsidy regime to ensure that it is fit for the whole of the UK and did not just reflect the political priorities of the UK Government. Due to agreement on the UK-EU Trade and Cooperation only being reached a week before the end of the Transition period, a baseline UK subsidy regime consisting of the UK's international subsidy commitments has come into effect. In the lead up to the UK Government opening a public consultation process on the design of a new domestic

subsidy on 3 February 2021 Welsh Government officials have worked to ensure the interests of Wales and Welsh businesses are recognised, and will continue to do so as development progresses. It is vitally important that the future UK subsidy regime reflects the needs of all four nations of the UK.

Recommendation 15. The Welsh Government should carry out further research to assess the social value of its investment in the voluntary sector.

Response: Accept

We are aware that there is some good practice already developed in this area, especially in North Wales and through the development of the Welsh Themes Outputs and Measures. We will ensure that the third sector infrastructure captures this good practice and considers using the Third Sector Change Fund to disseminate it across Wales.

We will also consider what else can be done to assess social value of Welsh Government investment.

Recommendation 16. The Welsh Government should work with the voluntary sector to identify areas across its work where the sector can support the recovery, public services, building sustainable community resilience and well-being.

Response: Accept

The TSPC Covid-19 Recovery Group has already started work on this area. As we have stated the Group's report will be published shortly and internal and external Volunteering Leadership Groups will be established to take forward the recommendations from this report.

Recommendation 17. The Welsh Government should invest in voluntary sector programmes which support the recovery, in a similar manner to the Voluntary Services Recovery Fund. Given the length of the crisis, consideration should be given to extending this beyond the current financial year.

Response: Accept in Principle

As we said in our Response to Recommendation 9 we have provided a total of £38.2m for the Covid-19 Third Sector Response Fund in 2020-21. The Voluntary Services Recovery Fund, again delivered by WCVA is part of this Response Fund.

We do not yet know what challenges recovery will bring and we remain committed to supporting the voluntary sector in Wales. We will continue to work with the sector to identify and respond to emerging needs as recovery progresses. That said, longer term funding decisions remain a matter for the next administration.

We are committed to continued support for the third sector infrastructure in Wales and have secured an increase in core funding for TSSW in 2021-22.

Recommendation 18. In future recovery work, the Welsh Government should ensure that all parts of the public sector engage with the voluntary sector in policy-making and service delivery. This should also lead to greater partnership working beyond the recovery and include the voices of the voluntary sector as well as the people with whom they work.

Response: Accept

As stated we are committed to continuing to work with the voluntary sector across Wales. We will do this primarily through the TSPC and our work with the third sector infrastructure organisations. We are also working with a range of other partners including Building Communities Trust, Wales Co-operative Centre, Community Foundation Wales and many others. We recognise that the voice of the voluntary sector needs to be hard wired into future policy decisions.

Part of the work of the TSPC Recovery Group has been to consider the benefits of the new ways of working which have emerged from the crisis. We have seen relationships between the voluntary and the public sectors develop in new ways throughout the last year and we are keen to ensure these positive shifts are retained.

We established the Coronavirus Recovery Grant for Volunteering with the aim of aiding the development of relationships between the public and voluntary sectors.

The Wellbeing of Future Generations Act and its five ways of working provide a framework for the development of better working relationships.

However, while we can continue to work on developing these relationships this is a long term aim which will need to be supported and continued by the next administration.

Recommendation 19. The Welsh Government should report publicly on the effectiveness of the Connected Communities strategy in tackling loneliness and isolation within 12 months.

Response: Accept

When Connected Communities was published in February 2020, the Welsh Government committed to publishing a report every two years outlining progress against delivering the commitments within the strategy and sharing further actions and any changes to our approach.

The first progress report will be published by March 2022.

Recommendation 20. The Welsh Government explores further how new technology, including the app that Hafod is developing, can be used to help address loneliness and isolation. As part of this, the Welsh Government should take account of issues around the digital divide and ensure that solutions take account of these issues around digital access.

Response: Accept

In December 2020, the Welsh Government approved funding of £30,000 towards phase 1 of a pilot smart speaker based solution for tackling loneliness and social isolation. 'Home Care' is being piloted by a consortium including Hafod, Accenture, Amazon and Swansea University's Centre for Innovative Ageing.

Issues around the digital divide, and ensuring solutions take account of these issues, are being considered by the Welsh Government's loneliness and social isolation advisory group. The group, which consists of key stakeholders from the statutory and third sectors and grass-roots organisations, was established to help us better understand the impact of the pandemic on loneliness and isolation. Digital exclusion and ensuring information is accessible to all are two of the key areas raised by group members.

Digital inclusion is a key social justice and equalities issue. The Welsh Government's Digital Strategy for Wales sets out our ambitions across six missions, digital services, digital skills, digital inclusion, digital connectivity, digital economy and data and collaboration. Digital inclusion is at the heart of all we deliver, embedded across **policy, programme and service development.**

Digital inclusion is about ensuring people have the confidence to use the internet and digital technology in ways that will enhance their lives, helping them to overcome other disadvantages they might face. The pandemic has highlighted the challenges in addressing digital exclusion, connectivity, and access and we know that devices and infrastructure alone are not the solution.

Developing the digital skills of communities can lead to greater economic opportunities, a more equal society and improved social cohesion. We want to make clear our commitment to support everyone to gain the motivation, confidence and skills in order to make informed decisions and to choose how they participate in, and make the most of, our increasingly digital world.

A key element of the Digital Strategy for Wales is the role of the Centre for Digital Public Services. The Centre, established in June 2020, is responsible for sharing best practice and improving the coordination of services that reach across Local Government, the Welsh Government, Health and Social Care, business and the Third Sector in Wales. In September, the Centre shared the first draft of the [Digital Service Standards for Wales](#). A common digital service standard across all public service organisations in Wales will support and embed user centered service design and deliver better services and outcomes for all users. The Standards reinforce that service design must be fully inclusive, with alternative ways to access available and developed to be just as good as those offered online.

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