



# POLICY SURVEY

## Narrative Report

the  
wheel

Stronger Charities.  
Stronger Communities.

# 01

## INTRODUCTION

This report draws on a survey of The Wheel's members to establish their needs, concerns and priorities in relation to our public policy and advocacy work.

Over the past two years, the COVID-19 pandemic has demonstrated the extent to which we rely on the community and voluntary sector, especially in difficult times. These organisations played a key part in sustaining communities during the crisis, demonstrating their core role as part of Ireland's public service infrastructure. They restructured services to deliver remotely, responded to the need for socially-distanced and safe provision, cut costs, redirected resources to priority areas and designed new service responses targeted at meeting emergent need.

The survey demonstrates the ongoing impact of the COVID-19 crisis on these organisations, with almost 80% of respondents reporting that COVID-19 has had a negative impact on their capacity to offer services and supports.

Our findings also show the importance of the Government's COVID-19 support schemes, with more than 90% of those who availed of these schemes stating that they helped. It is clear that ongoing support – including, if necessary, an extension of the Stability Fund provided in 2020 and 2021 – will be needed to ensure that society is able to rebuild through the vital supports provided by the community and voluntary sector in Ireland.

It is clear from our findings that, as well as creating unique challenges, the COVID-19 crisis exacerbated many existing problems effecting charities, community and voluntary groups, and social enterprises.

One of these primary areas of concern is the increasingly onerous compliance and reporting requirements placed on charities.

Our findings show that organisations across the sector must report a wide range of information to multiple statutory agencies and bodies. Two thirds of respondents are required to report the same compliance data to multiple sources, but only 30% of respondents have dedicated compliance staff, demonstrating the significant challenge that these organisations face in meeting these requirements. There is a clear need for the streamlining of compliance requirements and dedicated funding for compliance costs by statutory funders.

Funding itself remains another area of concern for our members. The survey showed that half of respondents report that they do not have sufficient funding for their supports and services in 2022. This stark figure reflects the serious position many members find themselves in as a result of both the pandemic and pre-existing challenges that have not been addressed. These organisations support the most vulnerable in our society but many are struggling to survive.

30% of respondents told us that they currently or sometimes carry unfunded deficits from one year to the next, while a quarter of respondents hold no reserves. This further emphasises the centrality of funding concerns across the community and voluntary sector, and the precarious financial situation in which myriad organisations currently exist. Many of these organisations are delivering what people would regard as essential public services, and this is certainly not the way in which such services should be funded.

Almost 70% of survey respondents receive statutory funding and over half of these have more than one statutory funder. Our members are funded by a broad range of statutory funding bodies, many as noted above providing essential public services, but only 15% receive multi-annual funding. More than half receive no specific contribution to the cost of overheads, compliance or governance, while more than 40% have had no increase in their statutory funding in the last three years.

### Methodology

- An online survey of members of The Wheel
- 168 respondents, constituting 8.5% of The Wheel's membership
- 85% of respondents are registered charities
- Organisations with a wide range of annual incomes and employee numbers answered the survey, providing a good representative spread of our membership
- Survey conducted in October and November 2021

# 01

## INTRODUCTION (CONTINUED)

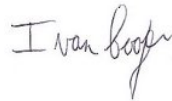
These findings show that community and voluntary organisations who are being funded to provide supports and services by the state are increasingly struggling with onerous compliance and reporting requirements, a lack of sustainable funding and inefficient annual funding models that impede long-term planning and strategic service development.

We asked our members about Service-Level Agreements (SLAs) – the contracts drawn up between statutory funders and community and voluntary organisations for the delivery of services – finding that these were relevant for more than half of respondents. For 75% of these respondents, their experience of the Service Level Agreement process has improved or remained the same during the survey period, showing a positive if slow trend towards building a more efficient and mutually-beneficial process of developing contracts. It is improving for more organisations than it is getting worse for. This is positive and is something to build on – even if it may be related to the generally positive spirit of partnership working that prevailed during the COVID-19 crisis.

We must ensure that the more positive spirit of partnership working that characterised the experience of both voluntary and statutory partners is maintained in the post covid-crisis reality.

Finally, the survey demonstrated that our members' main concerns for the future haven't changed much as a result of the pandemic. When asked to rank our Budget 2022 'asks' in order of priority, respondents' number one priority was mainstreaming multi-annual funding and ensuring adequate funding levels for services generally. Providing for the cost of compliance and streamlining regulatory and funding-related compliance requirements also remains important, as well as providing additional recovery funds for 2021 and 2022.

This report provides a snapshot of the survey findings, followed by recommendations for addressing the concerns raised by our members. We thank our members for their ongoing support and engagement.



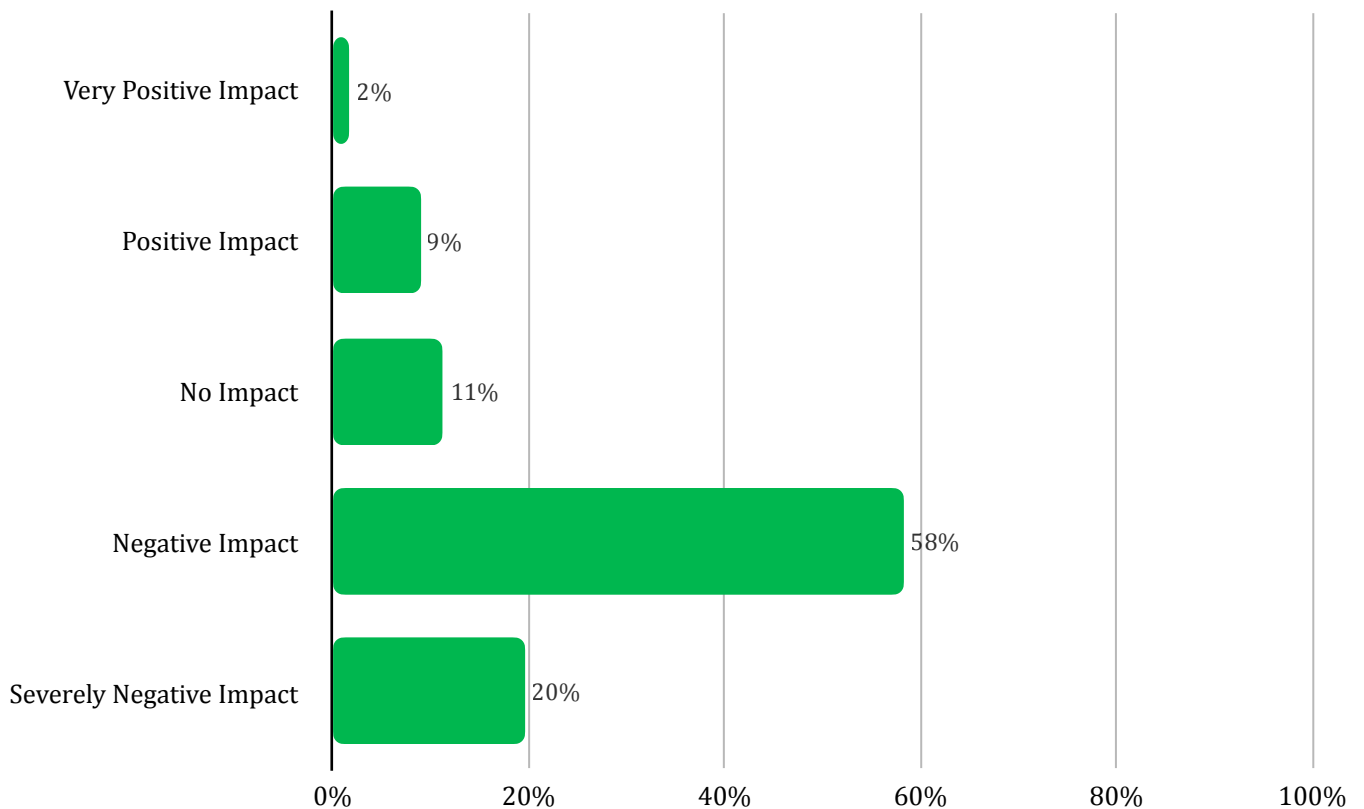
**Ivan Cooper**  
**Director of Public Policy**

# 02

## IMPACT OF THE COVID-19 PANDEMIC

- Almost 80% of respondents say that COVID-19 has had a negative impact on their capacity to offer services and supports.
- Almost half of respondents availed of COVID-19 government support schemes. Of these, 90% stated that these schemes helped.

Survey Question: Has COVID-19 had an impact on your capacity to offer services/supports?



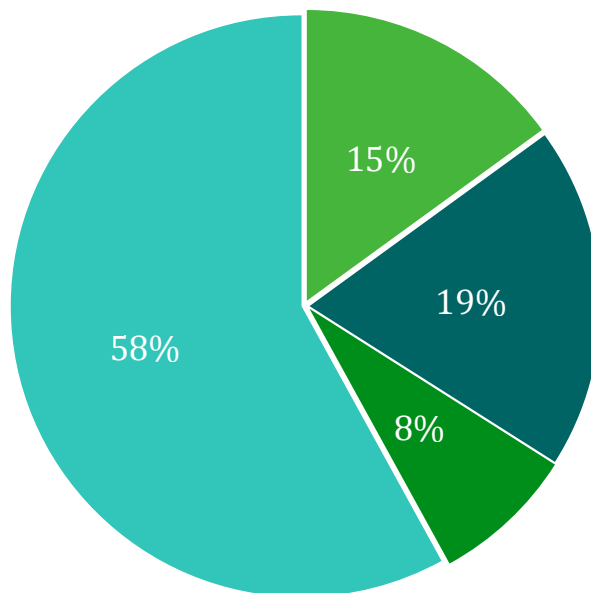
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## REPORTING AND COMPLIANCE

- Respondents listed a wide range of reporting and compliance requirements. The most common were the Charities Regulator (which 85% of respondents had to comply with), the Companies Office, and statutory funders such as the HSE (24%) and Tusla (22%). There was significant variety among respondents, who listed compliance requirements from every government department, as well as the Arts Council, SSNO, county councils, Register of Beneficial Owners, SICAP, ISCP, Citizens Information Board funding reports, Irish Aid, Registered Public Transport Operator and the Broadcasting Authority of Ireland.
- Less than 30% of respondents have dedicated compliance staff. For the majority, completing the work of funding-compliance and regulation-related processes was incorporated into the existing roles of one person or multiple people working at the organisation. A significant number of respondents had volunteers such as trustees or ex-trustees carry out this work, while others contracted private staff.
- Two-thirds are required to report compliance data to multiple sources.
- All types of information (financial information, details of trustees and directors, activity reports) are subject to repeat reporting.

**Survey Question: Who undertakes funding-compliance and regulation-related processes in your organisation?**

- Other
- Dedicated Part-time Member of Staff
- Dedicated Full-time Member of Staff
- Incorporated into Existing Role/s



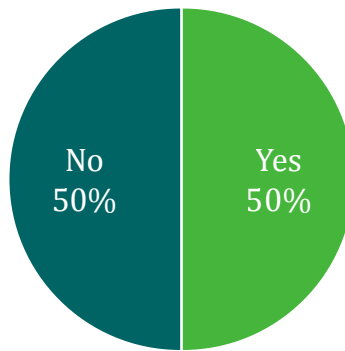
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## FUNDING & FINANCE

### Overview

- Half of respondents do not have sufficient funding for their existing supports and services in 2022.
- 30% of respondents currently or sometimes carry unfunded deficits from one year to the next.

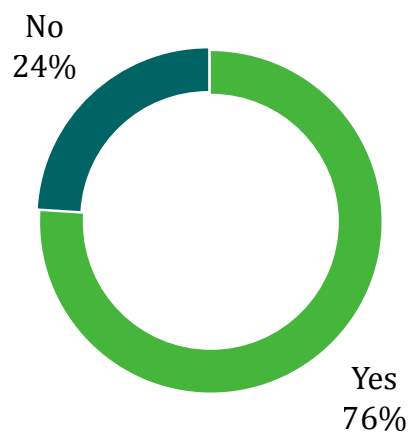
**Survey question: Do you have sufficient funding to provide your existing supports/services for 2022?**



### Reserves

- Nearly a quarter of respondents have no financial reserves.
- A third of organisations with reserves have had to dig into those reserves as a result of COVID-19.

**Survey question: Do you hold reserves?**



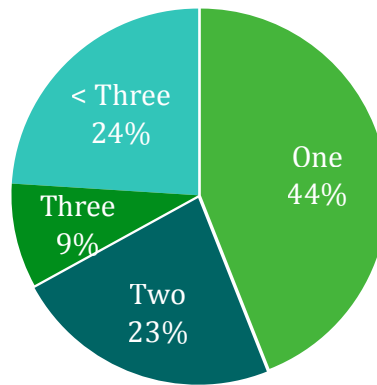
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## FUNDING & FINANCE (CONTINUED)

### Statutory Funding

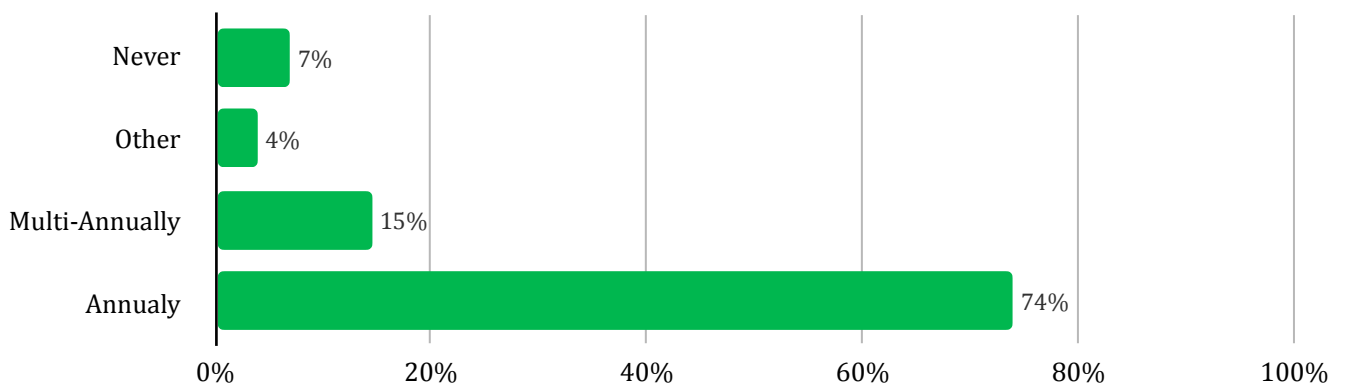
- Almost 70% of survey respondents receive statutory funding.
- For almost half of respondents, 75–100% of the cost of their services/supports comes from statutory funding.
- More than half of these have more than one statutory funder.

Survey question: How many statutory funders do you have?



- More than half receive no specific contribution to the cost of overheads, compliance or governance.
- Only 15% receive multi-annual funding.
- More than 40% have had no increase in their statutory funding in the last three years.
- Three quarters say that their statutory funding did not change as a result of COVID-19.

How often is your statutory funding re-assessed by your main funder?



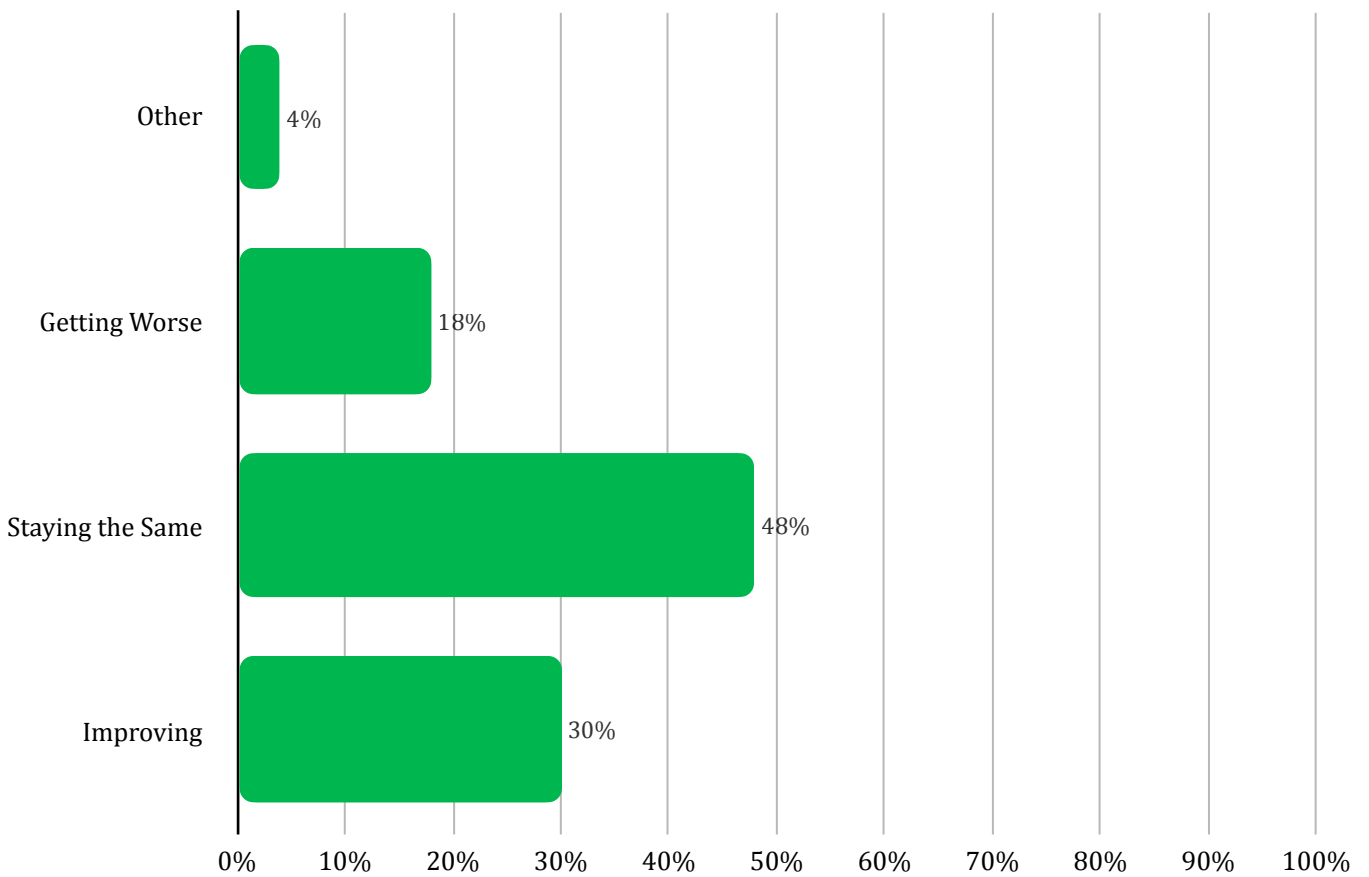
# 04

## FUNDING & FINANCE (CONTINUED)

### Service-level Agreements

- More than half of respondents are funded under Service-Level Agreements (SLAs).
- For 75%, their experience of the SLAs process has improved or remained the same. It is improving for more people that it is getting worse for – and this is something to build on. .

Survey question: What has been your experience of agreeing Service Level Agreements/Arrangements with your main statutory funder?





# 05

## CONCERNS & PRIORITIES

### Concerns

Our members' main concerns for the future haven't changed much as a result of the pandemic:

- Funding (multiannual, threat of cuts, deficits in state funding)
- Staffing (finding staff, salary issues)
- COVID-19 (changes to provision, access to funding, decrease in earned income)
- Compliance and reporting (state inefficiencies, no joined-up thinking, multiple reporting, too much for small orgs – no scale, no dedicated compliance funding)
- Other (supply chain issues, siloed services, smaller organisations losing out through tendering, increasing burden on trustees, lack of insurance, volunteer management challenges, media scrutiny, requirements of charity regulation, meeting increased demand for services)
- Many organisations saying 'surviving' or 'continuing to provide services'

### Priorities

Our members' priorities centre on securing sustainable funding and continued assistance with recovery from the COVID-19 crisis:

- 'Mainstream multi-annual funding and ensure adequate funding levels for services generally' remains the number one priority
- Provide for the cost of compliance and streamline regulatory and funding-related compliance requirements.
- Provide additional recovery funds for 2021 and 2022.
- Ensure charities and social enterprises can access all COVID-19 business supports.
- Increase investment in skills development for citizens who work in the nonprofit sector.

## SUMMARY OF RECOMMENDATIONS

The contribution that community and voluntary organisations, charities and social enterprises make to the economy and to society as a whole in Ireland is invaluable. The COVID-19 crisis has further demonstrated the sector's flexibility, its ability to meet unprecedented demand for services and its commitment to supporting the most vulnerable.

The findings of this survey demonstrate the ongoing impact of the COVID-19 crisis on organisations across the community and voluntary sector in Ireland. These organisations support the most vulnerable in society, but half of respondents do not have sufficient funding for their existing supports and services in 2022. 30% of respondents told us that they currently or sometimes carry unfunded deficits from one year to the next, while a quarter of respondents hold no reserves.

The survey also makes clear that compliance requirements remain a significant challenge for community and voluntary organisations, but more than half of respondents receive no specific contribution to the cost of overheads, compliance or governance. The process of agreeing contracts between the State and the sector is improving, but also needs further work.

In order to address this crisis of funding in the sector and ensure a fully inclusive far-reaching recovery for all, we recommend the following:

1. Provide additional recovery funds for 2022
2. Ensure charities and social enterprises can access COVID-19 business supports (Business Resumption Support Scheme and Small Companies Administration Rescue Process)
3. Mainstream multi-annual funding and ensure adequate funding levels for services generally
4. Support fundraising to recover post-Covid by extending and providing greater funding to the Charities VAT Compensation Scheme and through other measures
5. Provide for the cost of compliance and streamline regulatory and funding-related compliance requirements
6. Dedicate resources to deliver the three new strategies for the community and voluntary sector, social enterprise and volunteering
7. Increase investment in skills development for citizens who work in the nonprofit sector
8. Support and resource the work of the Health Dialogue Forum (IRG Report); increase investment in the Sláintecare Integration Fund; invest in Tusla-funded organisations; and support collaborative work generally
9. Continued Government action on insurance costs
10. Introduce a designated match-funding facility for European programmes
11. Enable community and voluntary organisations to continue taking climate action

**For more information, contact The Wheel's Policy Officer, Lily Power at [lily@wheel.ie](mailto:lily@wheel.ie)**



Stronger Charities.  
Stronger Communities.

The Wheel is Ireland's national association of charities, community groups and social enterprises.

As a representative voice, we provide leadership to the sector and we advocate on behalf of our growing community of members.

As a supportive resource, we offer advice, training and other opportunities to people working or volunteering in the sector.