



Stronger Charities.
Stronger Communities.

SUBMISSION TO JOINT COMMITTEE ON SOCIAL PROTECTION, COMMUNITY AND RURAL DEVELOPMENT, AND THE ISLANDS

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Submission to Joint Committee on Social Protection, Community and Rural Development, and the Islands

Introduction

The community and voluntary sector is an essential element of Irish society and our economy. The COVID-19 pandemic has demonstrated the extent to which we rely on its services, as well as the integral role that it plays in supporting our people and communities. It has an essential role to play in delivering the vision of inclusive recovery for Ireland.

Charities, community and voluntary organisations, and social enterprises provide essential services and support advocacy work in every constituency in Ireland. This includes health and disability, social care, education, housing, poverty relief, the arts, and sport, as well as international development.

The sector used innovative thinking and put effort into promoting and securing community engagement and ownership as well as empowerment of individuals and communities during COVID. It provided huge resources in energy, personnel, finance and commitment that could not be replicated by the State. It delivered flexible approaches and collaborative practices that supported, from micro to macro level, the ongoing battle against COVID-19.

Organisations reorganised services to remotely deliver, responded to the need for socially distanced and safe services, cut costs, redirected resources to priority areas, and designed new service responses targeted at meeting emergent need.

The sector responded in this way in the face of the single greatest ever reduction in earned/fundraised income, in a context where demand for their services, supports, and advocacy increased very significantly.

The Wheel greatly values the work of government and the legislature, of the range of relevant Ministers, of officials in DRCD, and the early focus of this Committee on the key issues affecting our sector.

The Wheel's Recommendations

To fully support the community and voluntary sector, we propose the following seven budgetary priorities:

1. Focus on adequate and sustainable funding.
2. Streamline regulatory and funding-related compliance requirements with cost of compliance supports.
3. Dedicate resources to deliver the three new strategies for the community and voluntary sector, social enterprise and volunteering.
4. Increase investment in skills development for the sector.

5. Implement the recommendations of the Report of the Independent Review Group on the Role of Voluntary Providers in Publicly Funded Services (IRG Report).
6. Build on the collaborative working learnings during the COVID pandemic to develop better and more effective relationships between the sector and state agencies.
7. Continue government monitoring and oversight of insurance costs.

1. Focus on adequate and sustainable funding

The role of charities and community endeavour during the pandemic has proven its essential role as a component of Irish society and economy. Many services, however, remain impacted by funding uncertainty and reductions to service budgets initiated by statutory funders in 2008/2009.

We recommend:

- Multi-annual (three- to five-year) funding arrangements to facilitate and better enable long-term planning, assist effective staff recruitment and retention, and thereby deliver better and more sustainable services.
- Funding of services and supports on a full-cost-recovery basis, to fund core costs, provide adequate employee remuneration, train and develop staff, and make provision for pension contributions where appropriate.
- Make provision for sustainable terms and conditions to support staff retention and progression in HSE-funded Sect. 39 and Tusla-funded Sect. 56 organisations.
- Extend and provide greater funding to the Charities VAT Compensation scheme now concluding its initial three-year phase.

2. Streamline regulatory and funding-related compliance requirements with cost of compliance supports.

The state rightly invested heavily in recent years in regulation and compliance processes for the sector, including the Charities Regulator. There has been no equivalent investment in charities to support their capacity to comply. Indeed, many funding programmes specifically exclude use of allocated monies for necessary compliance work. Charities, community and voluntary organisations, and social enterprises are forced to divert fundraised income from vital services to pay for regulatory and compliance requirements. Duplication of reporting information across state bodies and agencies exacerbates the situation.

We recommend:

- Provision for necessary and legally required cost of compliance and good governance in all funding agreements.
- A comprehensive review of all existing compliance and regulatory requirements, to streamline procedures and reduce duplication, to benefit both the sector, government departments and official agencies.
- Improved information sharing and communication systems between state bodies, through the introduction of a charity-passport system or equivalent, to reduce duplication of information requests and increase efficiency.

3. Dedicate resources to deliver the three new strategies for the community and voluntary sector, social enterprise and volunteering

The Wheel welcomes the development by the Department of Rural and Community Development (DRCD) of a suite of policies for charities, community and voluntary organisations, social enterprises, and volunteers.

These comprise *Sustainable, Inclusive and Empowered Communities: A five-year strategy to support the community and voluntary sector in Ireland*, *The National Social Enterprise Policy for Ireland*, and the *National Volunteering Strategy*.

We recommend:

- Dormant accounts funding should be expanded and accompanied by a dedicated budget line to support DRCD initiatives.
- Sufficient resources should be allocated directly to DRCD to enable full implementation of the commitments contained in the suite of policies for the charity, community and voluntary, and social enterprise sector.
- Continued funding supports should be applied through the National Training Fund to support crucial training and development needs.

4. Increase investment in skills development for the sector.

The report, *Investment Appraisal of Upskilling Employees in the Nonprofit Sector (2020)* by Indecon International Research Economists, indicates that investment in training in the nonprofit workforce in Ireland is low compared other sectors in the Irish workforce and with nonprofits in other countries. Specifically, it identifies barriers that impede the necessary investment, such as the cost of training and lack of time available to engage with training amongst workers, and points the way towards the solutions needed in this regard.

We recommend:

- Increasing the level of investment in skills-building of paid and unpaid workers in non-profits so that all of the labour market in the country has access to appropriate levels of skills-building resources.

That this and training be ‘culturally attuned’, sector-sensitive, and be put on as secure a footing as mainstream academic and business training.

5. Implement the recommendations of the Report of the Independent Review Group on the Role of Voluntary Providers in Publicly Funded Services (IRG Report).

We welcome recent resumption of the Dialogue Forum process following the COVID pandemic, working with voluntary organisations to build a stronger working relationship between the State and the voluntary healthcare sector, and implementing the recommendations of the report around

- Creating a charter to underpin relationships;
- Agreeing a list of essential services;
- Reviewing and simplifying service agreements so they respect and support autonomy;
- Avoidance of duplication in reporting;
- Multi-annual budgeting;
- A system to manage deficits; and
- Provision of governance training and supports for smaller organisations.

We recommend:

- As the Forum progresses in its work, adequate enabling resources should be assigned to enable its outcomes to be actioned speedily and effectively.

6. Build on the collaborative working learnings during COVID to develop better, more effective relationships between the sector and state agencies

The necessary flexibilities and new approaches developed and successfully operated during the COVID pandemic show that we can all do things better and more effectively, while still responding flexibly and efficiently to the needs of individuals and communities.

Often commissioning-based approaches and Service-Level Agreements run contrary to the spirit of collaborative working. They can generate excessive bureaucracy and duplication of compliance and administration demands on charities and community and voluntary organisations, and an equal burden on funding agencies and bodies.

We recommend:

- A new formal framework for collaborative working between voluntary organisations and their statutory counterparts, drawings on the learnings from COVID.
- A mechanism to review effectiveness of collaboration initiatives.
- As part of this process, establish a dedicated budget of €2m to incentivise and cover costs of agreed mergers and collaborative work in the charity, community and voluntary sector, similar to the model used in trade-union mergers in the past. Mergers should not be linked to reductions in overall statutory funding.

7. Continued government monitoring and oversight of insurance costs

The unsustainable rise in insurance costs has had a very serious effect on many charities, community and voluntary organisations, and social enterprises.

The Wheel acknowledges the recent changes in insurance policy introduced by Government having worked as part of the Alliance for Insurance Reform (AIR) to ensure that community and voluntary organisations can continue to carry out their vital work.

We recommend:

- Continued close monitoring of the recently introduced regulations on insurance cost changes.

- Ensure that An Garda Síochána has the resources necessary to pursue insurance fraud.
- Seek continued clear commitments from insurers to deliver all the reforms listed in the Programme for Government.

Conclusion

The Wheel will make a more detailed and costed submission regarding the next Budget when outcomes from the pandemic become clearer as we progress through Q2 2021.

Finally, we recommend an overall increase in Budget Allocations for the Department of Rural and Community Development.

In addition to necessary funding for the above recommendations, a general baseline increase of 5% in Budget 2021 should be applied to allocations to the Department of Rural and Community Development to enable its continued effective working.

About The Wheel

The Wheel is Ireland's national association of community and voluntary organisations, charities and social enterprises. We are the representative body for this vibrant and diverse sector, and together with our members, we shape and promote conditions in which people and their communities thrive.

We passionately believe that community and voluntary action improves and enriches communities and society. Our simple but ambitious mission is to make Ireland a fair and just place for all by strengthening the capacity and capability of community and voluntary organisations, charities and social enterprises to play their part.

We do this by representing these organisations; supporting these organisations to do their work; and, promoting the importance of the voluntarism and community values that power these organisations.

The Wheel has over 1,900 members and provides support services and representation on behalf of its members relating to matters that reflect their collective interests.

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