



Stronger Charities.
Stronger Communities.

SUBMISSION ON THE DRAFT NATIONAL RISK ASSESSMENT 2021-2022

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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 in several ways: by representing these organisations; by supporting these organisations to do their work; and by promoting the importance of the voluntarism and community values that power these organisations.

The Wheel has almost 2,000 members and provides support services and representation on behalf of its members relating to matters that reflect their collective interests.

Ireland's voluntary sector forms a key part of Ireland's social infrastructure

Independent, community-based, voluntary organisations have long played a key role in supporting and advocating with and for people and communities in Ireland. Indeed it is often through the initiative and advocacy of self-organising communities that many community, health and social care services have been initiated.

Community and voluntary organisations are involved in every community in the country, through health and social supports, services and advocacy on behalf of people with disabilities, older people, young people, children, people experiencing poverty and disadvantage, and people at every stage of the lifecycle.

The voluntary sector makes a big contribution to society and to the economy

The community and voluntary sector constitutes a significant social economy within the broader economy. It comprises 32,841 community, voluntary and charitable organisations, involves over 86,481 volunteer directors and trustees, directly employs 165,000 people, and manages income of €14.2bn per year.

These organisations raise over half of this income (more than €8.3bn) themselves, majorly subsidising the cost of public services in Ireland. Indecon Economic Consultants (in a report published by the Charities Regulator in 2018) estimate that the total direct, indirect, and

induced value of the work of Ireland's charities exceed €24bn per annum and support 289,000 employees.

The community and voluntary sector remains a significant part of Ireland's ongoing Covid-19 recovery

Over the past eighteen months, 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 sector responded in this way in the face of the single greatest ever reduction in earned/fundraised income, in a context where demand for services, supports and advocacy increased very significantly. These organisations will play an equally crucial role in recovery by supporting people and communities with innovative services, responding flexibly to need and focusing on vulnerable people and marginalised communities.

It is vital that we achieve a just and fair social and economic recovery from a crisis that has impacted sections of society in very different ways. Many people have made extraordinary sacrifices to keep everybody safe and these must be recognised and recompensed. No one should be left behind as we build forward better on the collaborations and the special supports provided during the crisis.

Focus of this submission

This submission focuses on the need to adopt measures related to enabling community and voluntary and charitable organisations to continue and expand their vital contribution to Irish society and our economy, especially in light of Covid-19.

Its focus is mainly on *Part 4: Social Risks*, in particular *Part 4.1: Social Cohesion*, as well as *Part 5.4 Pandemics*.

Other sections addressed include *Part 4.5 Digital Exclusion*, *Part 2.2 Future Direction of the European Union*; *Part 2.3 Ireland's Relationship, Post-Brexit, with the UK*.

Supporting the work of the community, voluntary and charitable sector

The Wheel welcomes the recognition in the Draft National Risk Assessment (NRA) that the pandemic and the resulting economic contraction have impacted sections of society in very different ways and that the needs of these communities must be addressed. We also welcome the emphasis on social cohesion and the statement that:

“Economic recovery and growth, and social recovery, post-pandemic must be a shared process involving all communities and cohorts of society. Supporting sustainable, inclusive and long-term economic growth, will be required to enable a recovery that is just, fair and leaves nobody behind.”

There is rightly a focus in *Section 4: Social Risks* on the far reaching impact of the pandemic on younger people, based on survey data from the *Growing up in Ireland* study published in March 2021 and the reliance of many individuals on the financial supports provided by Government during the height of the Covid-19 crisis. In addition to this, it is vital that other myriad sections of society whose problems have been exacerbated by the pandemic are equally supported as part of the country’s recovery.

This is demonstrated in *Part 4.5* of the 2021–2022 draft National Risk Assessment on addressing *Digital Exclusion* and the acknowledgement that “an inclusive approach to digital transformation will be vital”. During the pandemic, community and voluntary organisations were key to bridging the technological gap and serving those left out of the rapid move to online services, supports and information provision for reasons relating to geographical access and inequality.

In addition to this, *Part 5.4 Pandemics* notes that “advance planning and preparedness are critical to help mitigate the impact of any future pandemic” and, as demonstrated above, the community and voluntary sector will be key to any future response. Organisations across the sector have demonstrated their flexibility, adaptability and innovation in a time of crisis.

Despite the wealth of evidence on the sector’s contribution during Covid-19, The Wheel’s own research, produced at the beginning of pandemic, as well as subsequent reports by Benefacts and the Charities Regulator, demonstrate the significant challenges faced by charities, community and voluntary groups and social enterprises that support the most vulnerable in our society. In order to support those most effected by the pandemic, to recover as a nation and to prepare for any future crises, it is crucial that these organisations are enabled to do their work. The most effective way to support the voluntary sector in its key role is

- Ensure adequate funding through multiannual funding models as well as additional Covid-19 recovery funds
- Provide for the cost of compliance and streamlining regulatory and funding-related compliance requirements
- Strengthen partnership working between Government and the community and voluntary sector

1. Ensure adequate funding through multiannual funding models as well as additional Covid-19 recovery funds

During the pandemic, Irish charities have proven themselves to be an essential component of Irish society and of the economy. Many services, however, remain impacted by funding uncertainty and reductions to service budgets initiated by statutory funders in 2008/2009.

As referenced in several of the workshops at this year's National Economic Dialogue, multi-annual funding models for community and voluntary organisations would result in better outcomes both for the organisation and for the state departments with whom they collaborate. The pandemic has proved the urgency with which this reform is needed in order to achieve truly efficient, effective and flexible service provision that serves the whole population.

In addition, the economic and social outfall from Covid-19 is likely to be felt well into 2022, with continued uncertainty around the impact of new variants and a potential for unexpected social and economic consequences following the pandemic.

The Employment Wage Subsidy Scheme (EWSS) coupled with the Stability Fund for Charities (provided to the sector in 2020 by the Department of Rural and Community Development) went some way towards alleviating the huge revenue loss experienced in the sector and allowed organisations to continue providing essential services and protecting the most vulnerable in society. This investment of over €55m (€45m in 2020 and €10m in 2021) in the 600 charities that benefitted – all of which had to show a 25% collapse in income – was greatly welcome.

Many charities are still badly impacted by the collapse in fundraised income and we need to make sure that the withdrawal of the EWSS does not plunge charities into a new crisis. There is a significant concern that charities that have relied on the Stability Fund and the EWSS may not survive their withdrawal through 2021 and into 2022.

We recommend:

- Multi-annual (three- to five-year) funding arrangements: facilitate and better enable long-term planning; assist effective staff recruitment and retention; and deliver better and more sustainable services.
- Funding of services and supports provided on a full-cost-recovery basis: fund core-costs; provide adequate employee remuneration; provide budgets to train and develop staff; and make provision for pension contributions where appropriate.
- An additional €10m investment in the Stability Fund for 2021 and a special €10m Charity Recovery Fund provision for 2022 to enable resumption and consolidation of organisations' essential work.

2. Provide for the cost of compliance and streamlining regulatory and funding-related compliance requirements

The state rightly invested heavily in recent years in regulation and compliance processes for the sector, including the Charities Regulator. However, 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 required to divert fundraised income from vital services to pay for unfunded statutory regulatory and compliance requirements. Duplication of reporting information across state bodies and agencies exacerbates the situation.

In recent surveys of charities by The Wheel, we found that 62% felt there was increased pressure on staff due to reporting requirements. Some 60% said that administrative costs had risen as a result. 83% were required to report the same information to more than one source.

State authorities need to recognise that the large amount of form-filling and repetitive administrative work now required by different oversight bodies is diverting huge resources from the core work of charities, and that this administrative work needs to be funded. People support and commit to charities to benefit society and those in need, not to fund duplicate form-filling and related administrative costs.

There is no easily identifiable figure on requirements for charities in this area. However, working from The Wheel's own member surveys in recent years, we can assume a financial difficulty for one third of charities, approximately 4,000 organisations, who require part-time accounting support with a notional salary of €20,000 per year. Thus, the overall unsupported burden on these charities amounts to €80m annually. We recommend:

- Immediate introduction of a Charities Compliance and Reporting Matching Fund, equivalent to the budget allocated to the Charity Regulator of €4.6m in 2021.
- Provision be made in all funding agreements for necessary and legally-required costs of compliance and good governance.
- A comprehensive review of all existing compliance and regulatory requirements be undertaken to streamline procedures and reduce duplication, benefitting the sector, Government departments and official agencies.
- Improved information sharing and communication systems between state bodies to reduce duplication of information requests and increase efficiency.

3. Strengthen partnership working between Government and the community and voluntary sector

As noted above, the charity, community and voluntary, and social enterprise sector delivers a wide range of key services and supports to society in areas such as community development, health and care provision. This is accomplished either through community-led activity or through working with state agencies and bodies.

During the Covid-19 crisis, many organisations worked closely with state bodies to support those most vulnerable to the effects of the pandemic. This spirit of engagement and partnership was evident in a number of initiatives underway in various government departments prior to the pandemic, including the the Department of Rural and Community Development's recently published suite of policies for the sector (*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 also welcome the progress being made through the Health Dialogue Forum following the Covid-19 pandemic. Drawing on the learnings in the National Economic and Social Council's (NESC) report

Building a New Relationship between Voluntary Organisations and the State in the Health and Social Care Sectors, the Forum aims to build a stronger relationship between the State and the voluntary healthcare sector by: agreeing principles to support positive relationships; introducing changes to support essential services; reviewing and simplifying service agreements so that they support autonomy and accountability; avoiding duplication in reporting; and moving to multi-annual budgeting. We recommend:

- The community and voluntary sector model should be explored and incorporated as part of any review proposals emerging in health and care provision.
- The approach developed in the Health Dialogue Forum should be generalised to develop a new formal framework for collaborative working between voluntary organisations and their statutory counterparts.

The role of the community and voluntary sector in peacebuilding and international collaboration

Part 2.2 Future Direction of the European Union states that “supporting the green and digital transitions have become core EU policy priorities, including through EU recovery funds”. For many years, community and voluntary organisations have led the way on both advocacy and action in relation to climate issues and the UN Sustainable Development Goals. Tackling climate crisis has been and will continue to be a ground-up movement led by communities who understand the necessity of drastically changing the way our economy and societal structures work in order to prevent climate disaster for future generations.

Going forward, it is vital that community and voluntary organisations are enabled continue in their work to tackle the climate crisis and to ensure that economic justice is achieved for those disproportionately affected by this change.

In *Part 2.4 Ireland’s Relationship, Post-Brexit, with the United Kingdom*, The NRA recognises that there is a “need to strengthen bilateral relations with the UK, in light of the UK’s departure from the EU”. Similarly, the community and voluntary sector has long been a vital part of peace building work across the island of Ireland and between Ireland and the UK. These organisations do vital work with communities and must be enabled to continue this work in light of Brexit. We recommend:

- Full inclusion of relevant community and voluntary organisations in national platforms and engagements on climate policy and budgeting/fiscal decisions relating to the environment.
- Ensuring that community and voluntary organisations can access funding relating to taking climate action.
- Full inclusion of relevant community and voluntary organisations in national platforms and engagements on Brexit policy and negotiations.

Restoring public trust and confidence in institutional and associational life

The draft National Risk Assessment notes that “broad trends indicate that globally the pandemic has put trust in government and the media to the test and may have heightened issues of trust that existed prior to the pandemic”. While trends towards long-term collapse in public trust and confidence can be identified over recent years, the Covid-19 crisis saw a period of renewed trust in many public institutions, including the health service and charities. This is evidenced in recent research by Edelman and Benefacts as well as in public opinion data collected by the sector.

If social cohesion is to be maintained and if an inclusive recovery is to be achieved, there is a requirement for concerted action to maintain or indeed restore public trust and confidence in these institutions. Regulation will go some way to restoring trust in some of these institutional contexts, but we need Government to model in its own practice and support and encourage in practice in other sectors through a new open form of participatory governance – one rooted in openness, transparency and accountability, aimed at involving all people in making the decisions that affect them.

We call it developing and applying a *participatory governance framework*, and if implemented, it represents the most effective way of creating a society characterised by high levels of trust and confidence in, and participation in, institutional and associational life.

Recommendations:

- Government should formally adopt a participatory governance framework, adopting a set of regulations to require all government departments and agencies to take a more equitable participatory approach to their dealings with civil society organisations.
- The explicit goal of Ireland’s participatory governance framework should be to foster active citizenship through empowering people, from all walks of life, to participate directly in deliberations and the implementation of public policy and public services, (such as implied by the co-design and co-production of public services). This implies open and transparent public administration. It also implies identifying the core competencies needed and providing core funding to support the empowerment of people from minority groups and in disadvantaged localities.

Conclusion

Our recommendations span a range of areas included in the draft National Risk Assessment but each is vital to ensuring that the sector maximises its contribution to the recovery and wellbeing of communities in Ireland, and to our economic and social lives. The sector will be a crucial part of any future planning and risk mitigation.

We look forward to ongoing engagement in the period ahead to work towards a thriving community, voluntary and charitable sector which will continue to deliver vital services and supports as we move into the next phase of the country's recovery and plan for the future.

At The Wheel, we believe we are all best served by a fully inclusive recovery model supported by the long-standing infrastructure of the charity, community and voluntary, and social enterprise sector.

ENDS

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