



2023

POLICY SURVEY REPORT



Stronger Charities.
Stronger Communities.

This report draws on a representative survey of The Wheel's members carried out in late 2022.

The aim of this annual survey is to establish the needs, concerns and priorities of our members, which in turn drives our public policy and advocacy work.



Introduction

Community and voluntary organisations, charities and social enterprises continue to demonstrate the invaluable role they play in society and the economy.

From Covid-19 to the current crises of inflation, rising energy costs and the war in Ukraine, these organisations have been central in sustaining communities and supporting the most vulnerable. Community and voluntary groups have continually adapted their services, resources and funding models to respond to emerging need. Many, however, are struggling in the face of significant challenges, such as sustainable funding, recruitment and keeping up with compliance requirements, as these multiple challenges continue to impact the sector.

Almost 60% of survey respondents stated that they would not have sufficient funding to provide their existing services in 2023. This is a stark figure that demonstrates how serious the situation is for many organisations that provide essential services and supports across areas such as health, social care, family services and housing.

Almost half stated that they are not able to sufficiently recruit and retain staff, the main barrier to which is an inability to offer attractive rates of pay. This means that many organisations are operating vital services and supports without the staff they require. In recent months, this has become an urgent concern for many of our members.

For a third of respondents who receive statutory funding, less than half of the costs of the supports they are funded to provide are covered by the state. The remaining costs must be covered by earned income, fundraising, membership fees etc. More than half of the organisations that receive statutory funding have seen no increase or a decrease of funding since the 2008 cuts.

For HSE-funded organisations specifically, four out five have not seen the cuts reversed. Again, this shows the precarious financial environment in which many charities are currently operating and the insufficient nature of state funding in many cases.

A third state that Covid-19 is having a continued negative impact on their ability to offer services, despite more than 40% of respondents having availed of the Covid-19 government support schemes. This demonstrates the significant and continued effects of the pandemic on the sector. One third of respondents have no reserves and almost half of those that do have reserves, used them as a result of Covid-19. This leaves many organisations in a precarious situation, unable to plan for increased demand or changing situations relating to their services.

Almost a quarter of those who responded to the survey are providing supports to people fleeing Ukraine, including counselling, information, education and youth services. More than a third of these stated that this is having a negative impact on their ability to provide their existing supports. It is clear that these organisations will need increased funding going forward in order to fully meet community need.

In the area of reporting and compliance, our survey shows some improvements. While more than half of respondents are required to report the same compliance data to multiple sources, in 2021 that figure was two thirds. Similarly, for 80% of respondents who are funded under a Service Level Agreement (SLA), their experience of the process has remained the same or improved.

While we welcome these improvements, less than 20% of respondents have any dedicated staff for complying with regulatory and funding requirements, while the overall amount of regulation has grown. The result is that staff and trustees are often diverted from their core work to fulfil these requirements. We recommend that dedicated funding for compliance costs be provided by statutory funders.

It is also important that the more positive spirit of partnership working that characterised the experience of both voluntary and statutory partners during the peak of the pandemic is further entrenched.

This year, we asked our members about energy costs as charities are experiencing the impact of rising energy costs and inflation along with the rest of society. The majority of respondents have seen increases of 20-30% and for more than half, energy costs will impact their ability to provide supports. This will have a knock-on effect for vulnerable people who are already most negatively impacted by rising costs and reliant on community and voluntary services. While we welcome the government support schemes introduced for charities, at the time of this survey, three quarters of respondents had not received increased grants to cover these costs.

Finally, the survey demonstrated that our members' main concerns for the future centre around funding but not exclusively. When asked to rank our Budget 2023 'asks' in order of priority, respondents' number one priority was mainstreaming multi-annual funding and ensuring adequate funding levels for services generally. 'Funding to help sustain the sector's work post-COVID-19 and through the impact of the Ukraine war' also ranked very highly.

Next was 'Funding to address the recruitment and retention crisis, and the pay parity issue, for statutory- funded organisations'. Also important for many members were 'Invest in a dedicated Workforce Skills and Training Framework for the Community and Voluntary Sector' and 'Increase funding for HSE-funded (Section 39 Health Act), Tusla-Funded Section 56), Housing Act (Section 10) homeless services and other statutory- funded services'.

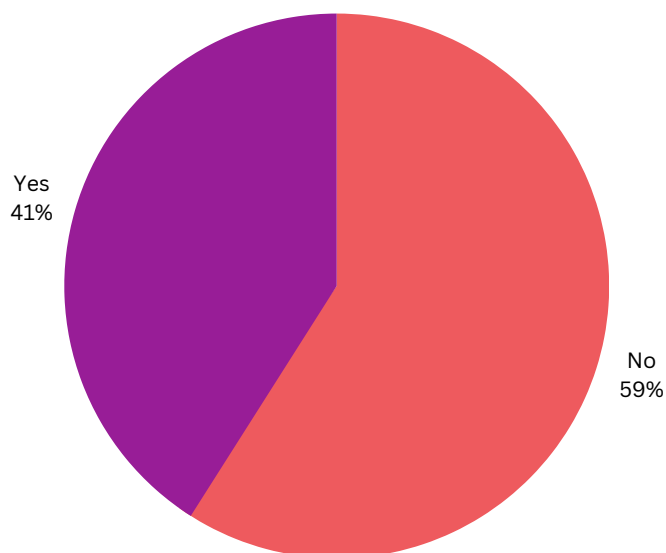
This report provides a snapshot of the survey findings, followed by recommendations for addressing the concerns raised by our members.

We thank our members for their ongoing support and engagement.

Funding



Almost 60% of survey respondents will not have sufficient funding to provide their existing services in 2023.

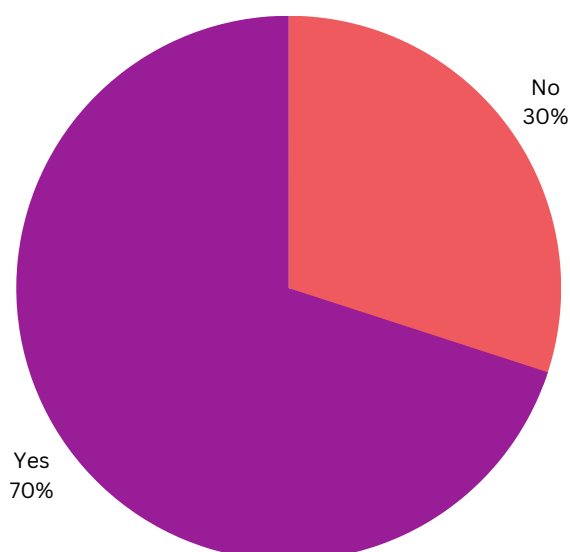


Q: Are you confident that your organisation will have sufficient funding to provide your existing supports/services in 2023?

Almost half are not able to sufficiently recruit and retain staff.

The main barrier these organisations face is an inability to offer attractive rates of pay.

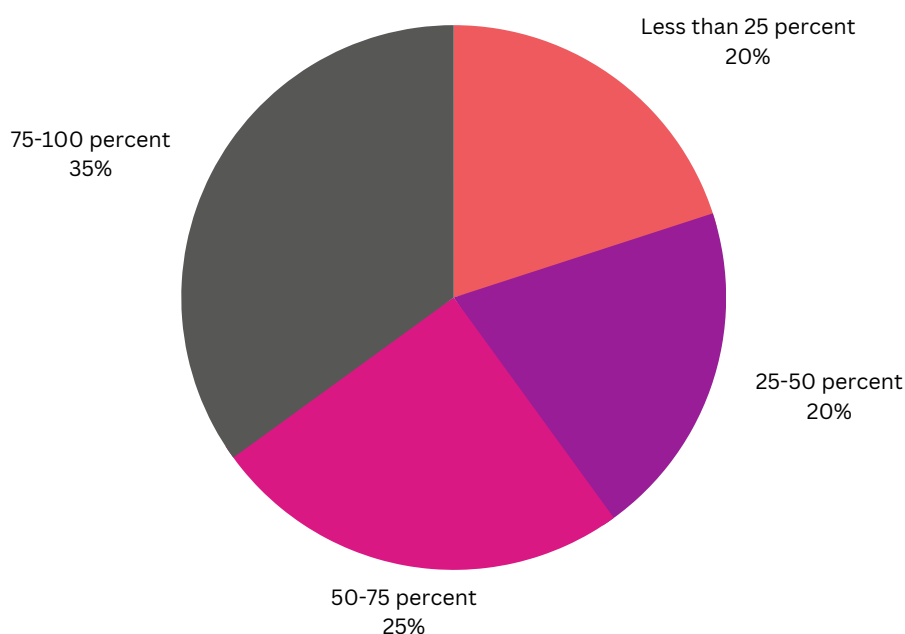
Almost a third have no reserves.



Q: Do you have reserves?

For a third of those that have reserves, they represent less than 10% of annual turnover.

For a third of respondents who receive statutory funding, this funding covers less than half of the cost of the supports they are funded to provide.



Q: What percentage of the costs for the specific services/supports you are funded to provide are met by your statutory funding?

More than half of the organisations that receive statutory funding have seen either no increase or a decrease of funding since the 2008 cuts.

For HSE-funded organisations specifically, four out five have not seen the cuts reversed.

Reporting & Compliance

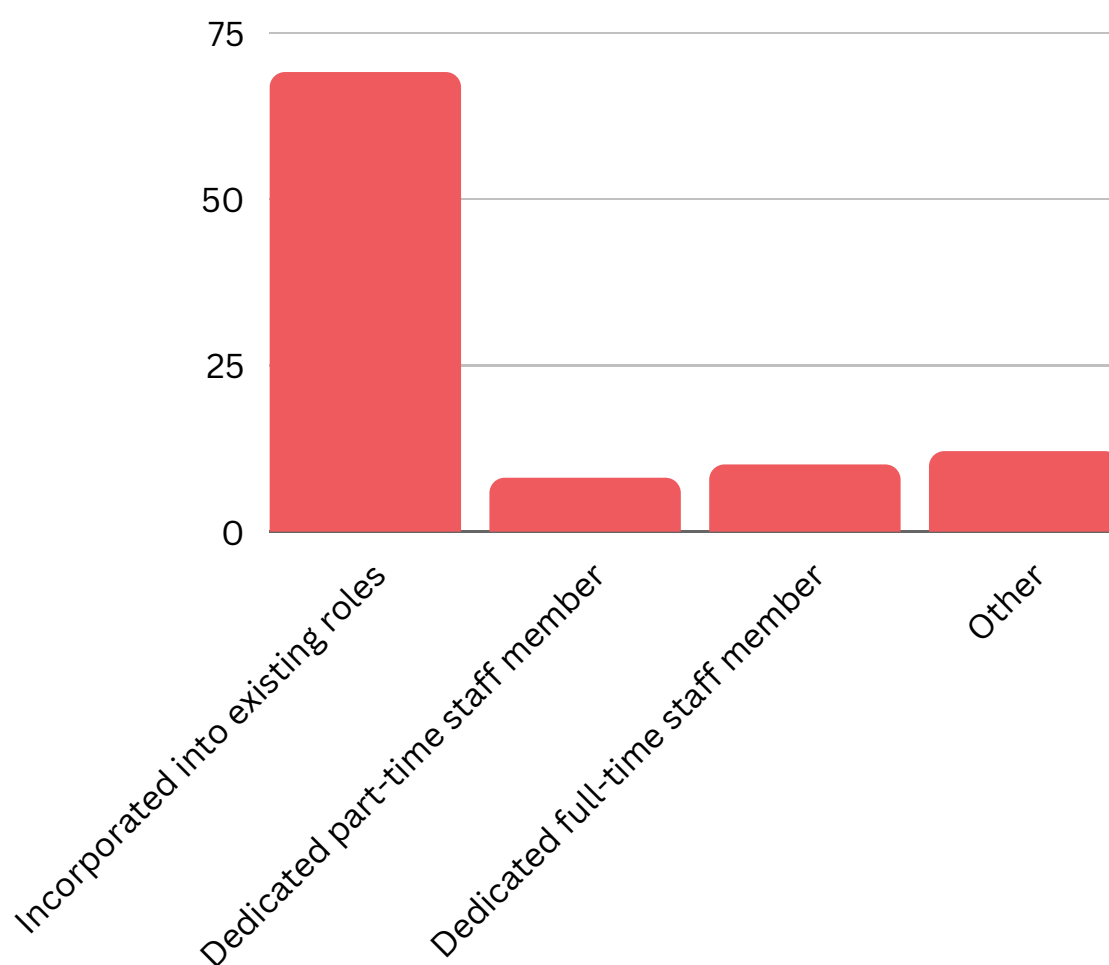


More than half of respondents are required to report the same compliance data to multiple sources. This is an improvement on last year, when it was two thirds.

For 80% of respondents who are funded under a Service Level Agreement (SLA), their experience of the process has remained the same or improved.

Less than 20% of respondents have any dedicated staff for complying with regulatory and funding requirements.

Q: By whom are funding-compliance and regulation-related processes undertaken in your organisation?

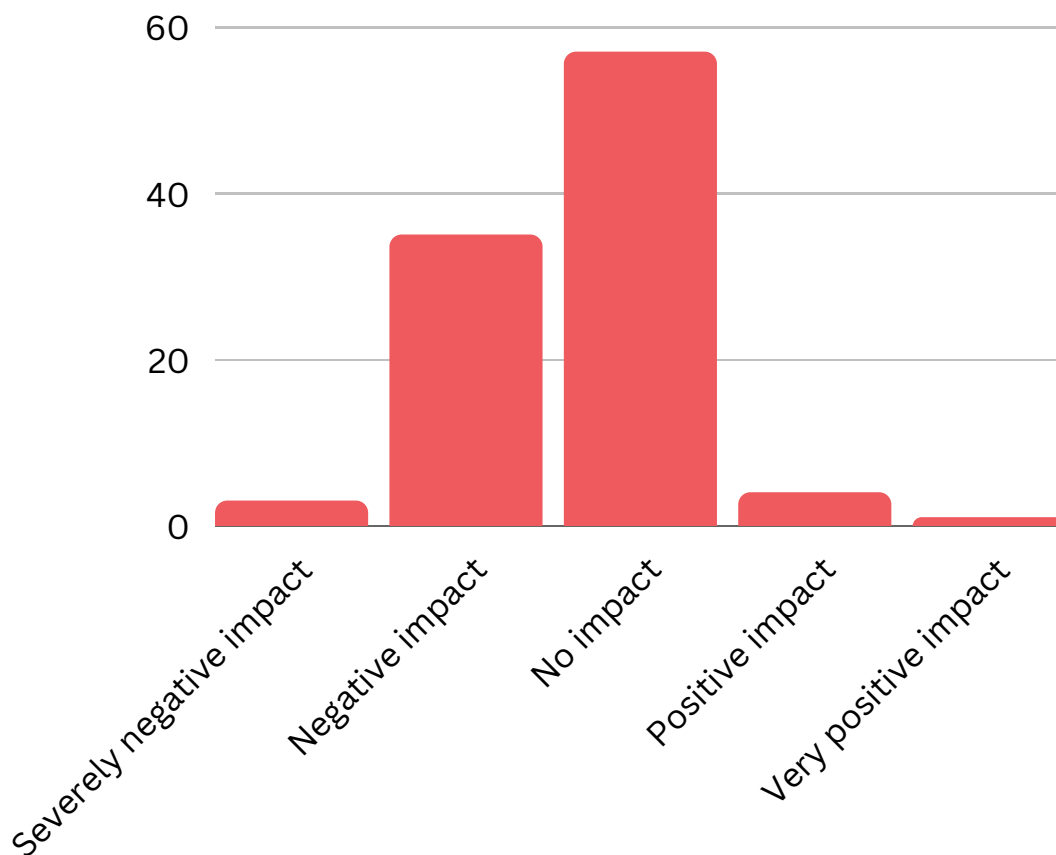


Current Crises

Covid-19

A third state that Covid-19 is continuing to have a negative impact on their ability to offer services/supports.

Q: Is Covid-19 having a continued impact on your capacity to offer services/supports?

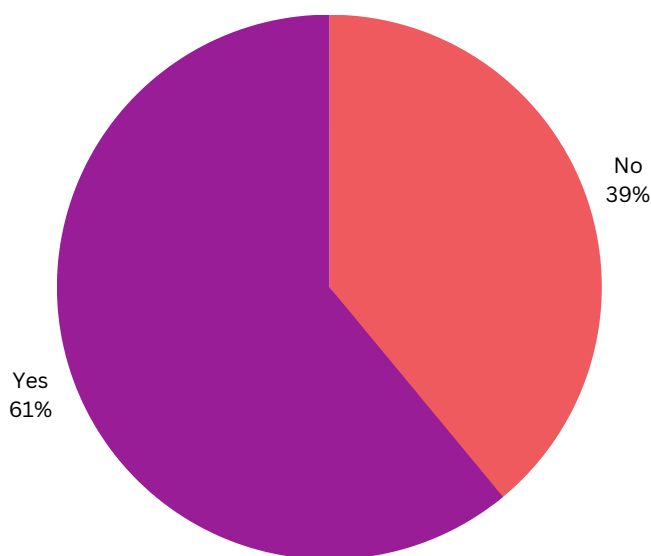


Almost half have used their reserves as a result of Covid-19.

Energy Costs

For more than half of respondents, energy costs will impact their ability to provide services/supports.

Q: Will this have an impact on your organisation's capacity to provide services/supports in 2023?



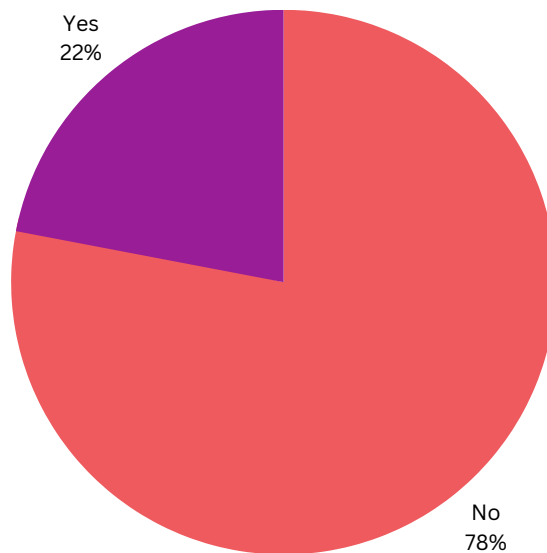
The majority of respondents have seen energy-cost increases of 20-30%.

Three quarters have not received increased grants to cover energy costs.

War in Ukraine

Almost a quarter of those who responded to the survey are providing supports to people fleeing Ukraine, including counselling, information, education and youth services.

Q: Is your organisation providing services/supports for people fleeing the war in Ukraine?



For more than a third, this is having a negative impact on their ability to provide services and supports.



Concerns and priorities

Concerns

Our members' concerns remain the same, but have been made more acute by multiple societal crises and a sustained loss of income.

- Funding (2008 cuts not reversed, lack of sustainable funding, multiannual funding, reserves, many organisations unable to provide services)
- Staffing (crisis in recruitment and retention, inability to offer attractive rates of pay)
- Specific crisis measures (war in Ukraine, energy costs, inflation)
- Compliance and reporting (despite improvements, still no dedicated compliance funding; lack of coherence across government departments and agencies; multiple reporting; lack of scale for smaller organisations)

Priorities

- The number one priority remains to mainstream multi-annual funding and ensure adequate funding levels for services generally
- Funding to address the recruitment/retention crisis and the pay-parity issue for statutory- funded organisations
- Funding to help sustain the sector's work post-Covid-19, and through the impact of the Ukraine war, rising energy costs and inflation
- Provide for the cost of compliance and continue to streamline regulatory and funding-related compliance requirements
- Invest in a dedicated Workforce Skills and Training Framework for the Community and Voluntary Sector
- Increase funding for HSE-funded (Section 39 Health Act), Tusla-Funded Section 56), Housing Act (Section 10) homeless services and other statutory- funded services.

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 Wheel's members remain at the forefront of crisis response in areas such as health, social care, housing and child and family services. The sector has repeatedly demonstrated its flexibility and commitment to supporting the most vulnerable.

The findings of this survey demonstrate that many organisations are themselves in crisis, potentially unable to provide their essential services and supports. This is due to a chronic lack of sustainable funding, increased demand as a result of multiple external crises and significant challenges in recruiting and retaining staff. Additionally, the landscape of increased regulation and compliance has not been met with sufficient funding or staffing capacity.

In order to address these concerns and to enable a flourishing community and voluntary sector, we recommend:

- Mainstreaming multi-annual funding and ensuring adequate funding levels for services generally
- Funding to help sustain the sector's work post-COVID-19 and through the impact of the Ukraine war, rising energy costs and inflation
- Increasing funding for HSE-funded (Section 39 Health Act), Tusla-funded Section 56), Housing Act (Section 10) homeless services and other statutory-funded services
- Supporting charity fundraising challenges post COVID-19 through realistic tax and VAT measures

- Providing for the cost of compliance and streamline regulatory and funding-related compliance requirements, including introduction of a Charities Compliance Matching Fund of €2.8m (equivalent to 60% of the budget allocated to the Charities Regulator in 2022)
- Dedicating resources to deliver the three strategies for the community and voluntary sector, social enterprise, and volunteering
- Supporting and resource the work of the Health Dialogue Forum (IRG Report)
- Increasing investment in the Sláintecare Integration Fund and Section 39s
- Investing in Tusla-funded organisations
- Investing €5m annually for the next five years in a dedicated Workforce Skills and Training Framework for the Community and Voluntary Sector
- Continuing government action on insurance costs
- Enabling community and voluntary organisations to continue taking climate action

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