BUDGET 2024 SUBMISSION

A BUDGET FOR CIVIL SOCIETY

the wheel

Stronger Charities.
Stronger Communities.

A BUDGET FOR CIVIL SOCIETY:

THE WHEEL'S 2024 PRE-BUDGET SUBMISSION

PREPARED

JUNE 2023

CONTENTS

LIST OF ABBREVIATIONS

CV sector: Community and voluntary sector, a term used to encompass charities, community groups, voluntary organisations, and social enterprises.

DRCD: The Department of Rural and Community Development.

FOREWORD BY IVAN COOPER, CEO

The community and voluntary (CV) sector serves as the backbone of Irish society, with its 35,000 organisations involving over 86,000 volunteer directors and trustees, employing 165,000 people, and managing an annual income of €14.2bn. In 2018, Indecon Economic Consultants estimated the total direct and indirect economic value of the sector at €24bn, supporting 289,000 jobs. Since then, the sector's role has only expanded, demonstrating its significance in addressing the diverse needs of communities across the country.

Arguably the most pressing issue facing our sector now is pay parity for organisations delivering essential services on behalf of the state. Section 39/56/10 organisations, named for the Acts under which they are funded, deliver disability supports, older people's services, children's services, family care, addiction, and homelessness services. Over 2,000 community organisations and charities work in collaboration with the HSE, and 700 organisations deliver child and family services funded by Tusla. Hundreds more provide services for people experiencing homelessness. These organisations' commitment to addressing the needs of vulnerable groups and their ability to adapt to changing demands makes them indispensable in delivering people-centred, responsive, and local services.

Despite their importance, Section 39/56/10 organisations face a pay and staffing crisis, struggling to retain and recruit staff due to pay deficits compared to civil-service staff performing similar roles. This issue, exacerbated by a widening pay gap that could reach an average of 11.69% by October if unaddressed, threatens the sector's ability to maintain and expand service delivery.

To ensure the long-term sustainability of the CV sector and its continued contribution to Irish society, this pre-budget submission urges the government to focus on a number of key areas, of which a summary can be found on page 22. By prioritising these issues in the upcoming budget, the government can strengthen the CV sector, enabling it to better serve the diverse and growing needs of communities across Ireland.

MEMBER PRIORITIES

The Wheel's community of members is made up of almost 2,300 organisations with their own discrete areas of expertise, and many will make submissions of their own in advance of Budget 2024. We call for their submissions to be recognised and their actions implemented as part of the Budget 2024 process.

Given that this submission is focused on overarching measures that create the conditions for a thriving CV sector, there will be substantial overlap with our own priorities at the broadest level. However, addressing their subject-specific recommendations is central to furthering the work of the sector, reducing the burden on services,[1] and building a just and fair society for all.

"It could be the listening ear on a helpline that reassures a person in their darkest hour, the charity-funded nurse who brings comfort in a time of great hardship, the youth group that keeps our young people engaged, the community centre providing meals on wheels and other vital services, animal welfare, sports, arts, culture, education, heritage, environment, and community improvements - to name just a few areas in which you may have a tangible difference to make to our country."

An Taoiseach, Leo Varadkar TD, addressing The Wheel's Summit in May 2023

[1] Where this is possible or desirable. Not all charities and community groups measure success by reduced demand, and for many arts organisations, social groups, sports clubs, health service providers, and community gardens (to name just a few), it is not an aim to have less engagement with their offerings.

SECTOR PRIORITIES IN 2024

1. Urgently resolve funding disparities for Section 39/56/10 organisations

- **Address the current pay deficit of 10-12% for staff in these organisations to deliver pay equivalence between Section 39/56/10 organisations and their counterparts in state agencies.**
- **Include state-funded charities in public-service pay talks and other relevant fora such as the Workplace Relations Commission to prevent future re-emergence of pay disparities.**
- **Include administrative costs in public service contacts.**
- **Provide multi-annual funding to allow for service planning and development.**

State-funded CV organisations have faced escalating recruitment and retention issues in recent years, and inflationary pressures have amplified these. With a looming collapse in essential services, this has become a public crisis and not simply a CV sector crisis – addressing the pay deficit is the single most urgent recommendation contained in this submission.

Section 39, 10, and 56 organisations all receive contracts from the State to deliver public services, but their staff do not receive pay or employment conditions equivalent to public-sector employees. According to a report published by The Wheel and TASC in June 2023, "Turnover and vacancies are increasingly forcing organisations to reduce hours and cancel services because they lack the staff to deliver them and they need to maintain quality, especially considering the vulnerability of their service users, and limit the risk of burnout amongst existing staff." These organisations provide essential services on behalf of the state and require levels of resourcing that reflect this.

The Wheel/TASC report is not the first to note these issues, which have only become more urgent over time. In its 2022 Service Plan, the National Federation of Voluntary Service Providers noted that, "It is recognised that without the resources to provide equal pay to staff working in these organisations, there is a significant risk to the sustainability of existing frontline essential services and supports; to the ability to meet future and unmet need; and to the ongoing existence of the relevant providers. Recruitment is already at crisis levels within the wider social care sector and specifically within disability services." Similarly, the Disability Federation of Ireland found in a January 2023 survey that "48% [of respondents] have reduced service levels because of staffing." The crises in both recruitment and retention are having an active and ever-increasing impact on essential services in Ireland.

Government must address the existing pay deficit, linked to funding cuts imposed in 2008, and bring pay levels in line with public-service agreements. The report predicts from available data that there will be an 11.69% pay gap between Section 39 employees and their public-sector counterparts by October 2023 unless this is addressed. There is a need for emergency data provision from the HSE, Tusla, and the Department of Housing, Local Government, and Heritage to quantify the full extent of the crisis and identify the precise amount needed to fully resolve the disparities.

As part of the process of resolving this issue, sector representatives must be accommodated in a way that recognises their unusual position as employers. While their organisations are contracted to deliver services by the state under specific funding arrangements, and they have limited control over salary levels and ability to dictate employment benefits, they are simultaneously subject to industrial action from a union perspective. Engagement with relevant bodies on the issue must reflect this.

"I'm acutely aware that there is a recruitment and retention issue across the community and voluntary sector . . . It's important that Government acknowledges and rewards your work appropriately."

Minister Joe O'Brien TD addressing
The Wheel's Summit in May 2023

2. Regularise multiannual funding and ensure adequate funding levels generally

- **Normalise the provision of multi-annual (three- to five-year) funding arrangements across departments that fund the CV sector.**
- **Fund services and supports on a full-cost-recovery basis, providing for core costs, adequate salaries, training and development budgets, and pension contributions.**

According to a recent survey, 60% of members of The Wheel did not begin 2023 with sufficient funding for the year ahead. A third of respondents hold no reserves. These stark figures reflect the serious position many of our members find themselves in due to both recent global events and pre-existing challenges that have not yet been addressed.

Funding concerns are central to the CV sector, with so many organisations in ongoing states of financial precarity. Many of these organisations are delivering essential public services, and they require a funding model that reflects this reality.

Multi-annual funding models would result in better outcomes for both CV organisations and for the state departments with which they collaborate. This applies even to services and activities not deemed "essential," but which are, nonetheless, entirely necessary threads in the fabric of a vibrant society, such as arts programmes, animal welfare, community activities, and more. Improved funding models enable long-term planning, assist effective staff recruitment and retention, and help to deliver better and more sustainable services.

We see a welcome move towards this model in schemes like Pobal's Scheme to Support National Organisations (SSNO) 2022-25, which aims "to provide multi-annual funding towards the core costs of national, community and voluntary organisations in Ireland". Expansion of this approach is needed urgently across state departments to achieve truly efficient, effective, and flexible CV organisations and to guarantee the stable provision of essential services.

3. Provide for the cost of compliance and introduce a Charities Compliance Matching Fund

- **Introduce a Charities Compliance Matching Fund of €2.94m, equivalent to 60% of the CRA budget for 2023.**
- **Provide for costs of compliance and good governance in all funding agreements.**

The state has rightly invested in developing regulations and compliance processes for the sector, including the Charities Regulator and the Charities (Amendment) Bill. However, there has been no equivalent investment made by the state to support the capacity of charities to comply with these processes. More pointedly, many funding programmes from state agencies specifically exclude the use of any allocated monies for necessary compliance work associated with these contracts. In addition, expansion and duplication of reporting information across state bodies and agencies further exacerbates an already difficult situation.

The Wheel's own recent member survey shows that organisations across the sector must report a wide range of information to multiple statutory agencies and bodies. More than half of respondents were required to report the same compliance data to multiple sources (a welcome improvement on the 2022 survey, when *two-thirds* of our membership were required to do so), but less than 20% of these respondents have dedicated compliance staff within their organisations, demonstrating the significant challenge faced in meeting these requirements. There is a clear and overwhelming need to streamline compliance requirements and provide dedicated funding for compliance costs.

A Charities Compliance Matching Fund, as outlined above, would particularly assist mid-sized charities where the pressure of compliance costs is most acutely felt, while also benefiting the sector as a whole.

"We spent . . . two years on the Governance Code. Again, you won't get funding for somebody to do that or to have the requisite staff to put into that."

Drug/Homelessness Organisation, quoted in **The Future of Public Service Delivery by the Community and Voluntary Sector**, by The Wheel/TASC

4. Address economic and geopolitical pressures on the sector

- **Provide €15m to support the sector in its ongoing response to the civil need generated by the war in Ukraine and the increased demand on its services as a result.**
- **Support CV organisations with inflation-related costs and ensure their eligibility for enterprise support schemes.**

The CV sector is an essential structure in society and must be adequately supported in order to better face economic and geopolitical instabilities that put pressure on its services and activities.

CV organisations continue to organise and to provide resources for those fleeing the devastating war in Ukraine. Family Resource Centres, PPNs, housing charities, and many other types of community and voluntary organisations are at the centre of the ongoing emergency response. The state has recognised this work through provision of additional funding. But many charities and community groups are strained supporting the more than 76,000 people recently arrived from Ukraine as well as their existing, often vulnerable, clients and communities.

Budget 2024 must support and adequately resource areas such as health, housing, and family services where challenges have arisen as a direct result of the impact of the war in Ukraine. Social organisations that work on the ground and are best placed to identify areas of need must be enabled to continue adapting their services to the growing impact of this war.

At the end of 2022, the DRCD announced a €10m social-inclusion fund to support refugees arriving from Ukraine. In 2024, the CV sector will require increased funding to support its response as community issues related to refugee inclusion grow. We recommend a €15m community outreach fund to support refugees and maintain positive public attitudes. CV organisations are well placed to reach into communities and build trust and cohesion.

The war, in tandem with the pandemic aftermath, is also producing energy price inflation at a rate not seen for many decades. Recent analysis produced by the economic and social think-tank TASC indicates that those on low incomes are more adversely affected and are struggling with the cost of living in Ireland. Social Justice Ireland's Socio-Economic Review 2023 demonstrates that 671,183 people are living below the poverty line. Of these, 188,602 are children. CV organisations who provide and advocate for the most vulnerable now face even greater challenges and must be supported appropriately.

Ideally, statutory funding levels will be linked to inflation and adjusted accordingly to allow for the increased cost of operations. Where this is not the case, and in recognition of the fact that 50% of charity income is privately raised, additional supports will be needed to protect CV organisations' ability to continue providing supports and services in a high-inflation economy.

CV organisations must also be enabled to access support schemes made available to businesses in Ireland. They require special consideration to ensure that, by virtue of their structures and company registration status, they don't fall through the cracks.

5. Increase the VAT compensation scheme to support charity fundraising and incentivise philanthropy through tax measures

- **Increase the cap on the VAT compensation scheme from €5m to €20m.**
- **Incentivise significant investment in initiatives to promote societal benefit with the same tax treatment currently available to business investment.**
- **Remove the €250 lower annual limit for tax relief under the Minimum Donations Scheme.**

VAT Compensation Scheme:

Many charities engage in fundraising initiatives to support and expand their work. This involves the public directly in supporting services for often-vulnerable groups. It also adds to supports provided by the Exchequer to the sector. Budget 2023 acknowledged this work by continuing the VAT Compensation Scheme for charities introduced in 2018. The scheme was designed to encourage independent fundraising and enable charities to, where appropriate, reduce requests to the Exchequer.

In the context of uncertainties about the longevity of corporate tax income, a healthy fundraising environment for the CV sector is vital. Incentivised fundraising will play a large role in supporting this.

The VAT fund, however, has remained capped at €5m and has been very substantially oversubscribed, with claims between €30m and €40m each year since its introduction. As a result, rebates made on a pro-rata basis resulted in charities receiving only approximately €1 for every €6 to €8 claimed. In 2021, the last year for which official figures are available, the amount refunded was 15.8% of the amount claimed.

Denmark, with a similar population size and charity structure to Ireland, operates a scheme rebating €20m annually.

The VAT Compensation Scheme should be retained, and the fund be increased to €20m annually to deliver a rebate of approximately 50% on total claims from the sector.

Incentivising Philanthropy:

The government will shortly make decisions following the DRCD's review of philanthropy in Ireland. There is a need for strong public acknowledgement and incentivisation of a culture of increased public giving for both large and small donations.

There should be a full involvement of representatives of recipient organisations in all monitoring and review of new fiscal and other policies on philanthropy and giving.

Budget 2024 should promote philanthropy and giving as a matter of priority through fiscal measures for all donations, large and small. Government should incentivise significant investment in initiatives to promote societal benefit with the same tax treatment currently available to business investment, and remove the €250 lower annual limit for tax relief under the Minimum Donations Scheme. The administrative burden on Revenue for very small donations prevented this change in earlier fiscal planning, but improvements in IT capability now make this achievable. This is evidenced by the Stay and Spend Scheme, which operated during 2020 and 2021 and provided tax relief on amounts between €25 and €125 annually.

In addition, legacy giving could be promoted through immediate removal of VAT from wills involving a charitable bequest and reviewing proportionate reliefs for inheritance tax linked to similar bequests.

"Modest stimulus and support have potential to accelerate philanthropic giving."

Draft National Philanthropy Policy, May 2023

6. Support and provide resources for structures underpinning the sector

- **Increase the Budget 2023 allocation to the DRCD by €28.7m (8.1%) to enable full implementation and review of the commitments contained in the suite of policies for the CV sector, including the forthcoming National Philanthropy Strategy**
- **Fund the ongoing work of the Health Dialogue Forum with Voluntary Organisations, the Community and Voluntary Pillar, and the work of the Tusla Commissioning Advisory Group.**
- **Provide €4m to the Community Services Programme to align the grant contribution with minimum wage levels.**
- **Establish a dedicated €2m fund to incentivise and cover the cost of mergers and collaborative work in the CV sector.**
- **Expand dormant accounts funding and include a dedicated budget line to support DRCD initiatives.**

Numerous strategies, processes, and programmes underpin the relationship between the state and the CV sector. These require ongoing resourcing to continue building a strong, effective partnership, with a focus on four key items below.

a. DRCD Sector Strategies

Three strategies to support development of the CV sector are currently being implemented by government:

- *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*
- *The National Volunteering Strategy*

The DRCD will also launch the *National Philanthropy Policy* later in 2023.

To implement their recommendations and ultimately achieve their aims, all four of these strategies require significant resources dedicated to their rollout and must be funded accordingly.

b. Dialogue Forum with Voluntary Organisations, Tusla reform, and the Community and Voluntary Pillar

Dialogue Forum with Voluntary Organisations: The HSE/Department of Health Dialogue Forum with Voluntary Organisations, chaired by Peter Cassells, released a report earlier in 2023 which examined the key challenges and opportunities around embedding Partnership Principles into the structures, processes, and projects of state and CV providers. It produced a number of recommendations under the themes of ways of working, collective leadership, shared vision, common perspectives, clear decision-making, and timing and opportunity.

The Forum, and the participating CV sector, must be enabled to continue this process and resourced to implement these recommendations, and meaningful healthcare innovations must, at the same time, be adequately funded through Sláintecare.

Tusla Reform: Similarly, the network of CV organisations funded through Tusla must be enabled to continue their joint commissioning approach to meeting needs. We recommend a €5m fund for innovation to support collaborations as part of Tusla's work to advance commissioning, and €500k allocated to the Tusla budget to support good-governance training and advice for Tusla-funded CV organisations.

Community and Voluntary Pillar: Concurrently, the Pillar engages with Government on key economic, social and sustainability challenges and should be funded to continue its work. The funding line needs to be increased in line with inflation.

c. Community Services Programme (CSP)

The Community Services Programme ensures that vital social, economic and environmental supports are provided across communities in Ireland.

There was an increase in funding for the programme in 2023, but a shortfall remains in aligning the grant contribution with the current minimum wage. Current calculations, based on available data, put this shortfall at approximately €4m (based on 1,713 full-time employees supported by the scheme in 2021).

d. CV Merger Fund

Much like the model used in trade-union mergers in the past, charities interested in pursuing mergers should be given access to a €2m fund to enable this action. Mergers should not be linked to reductions in overall statutory funding, but pursued only where there is real opportunity to effectively pool resources and increase impact.

"Make every effort to leverage the structures already in place locally and nationally seeking to maximise the potential of these structures."

Values and Principles for Collaboration and Partnership Working with the Community and Voluntary Sector

7. Continue government action on insurance costs

- **Take meaningful action on insurance reform.**

The high cost and poor availability of insurance cover continue to have a negative impact on our members. While we acknowledge the very positive progress made by Government in this area in recent times, it has not yet had the desired impact on liability insurance.

We urge Government to do everything in its power to increase underwriting capacity in the liability market, encourage competition, and improve availability of cover. Equally, we ask that Government do nothing from a fiscal policy perspective that would discourage new entrants into the Irish market or diminish risk appetite.

"Seeking to secure a more sustainable and competitive market through deepening and widening the supply of insurance in Ireland remains a key policy priority for this government."

Minister Michael McGrath TD,
Dáil Éireann Debate, May 2023

8. Invest in a dedicated Workforce Skills and Training Framework for the Community and Voluntary Sector

- **Invest €10m annually for the next five years in a dedicated Workforce Skills and Training Framework for the Community and Voluntary Sector**

The OECD review of the National Skills Strategy, published in May 2023, identifies the CV sector as a significant stakeholder in the national skills agenda. The report draws particular attention to the "unmet need for management development" within the CV sector:

"These organisations [in the CV sector] are acknowledged as making a vital contribution to Ireland's economic and social prosperity and are increasingly deploying new technologies and creative approaches to address societal and environment challenges. However, many programmes listed [elsewhere in the report] are not available to charities or not-for-profit organisations . . . Addressing these unmet needs should be considered a priority in Ireland."

These findings echo the 2020 report, "Investment Appraisal of Upskilling Employees in the Nonprofit Sector", by Indecon International Research Economists. This study found that investment in training in the nonprofit workforce in Ireland is low when compared to other sectors in the Irish workforce and to nonprofits in other countries. The report concludes with a benefit-cost analysis that demonstrates a return of nearly €3 in productivity gains for every €1 invested in upskilling supports in the sector (an average benefit/cost ratio of 2.9 to 1).

We recommend increasing the level of investment in skills-building of paid and unpaid workers in nonprofits so that the entire labour market in the country has access to appropriate levels of skills-building resources. Applying additional resources through the NTF will support the crucial training and development needs of the more than 165,000 employees and 300,000 volunteers whose work drives the sector. This investment and training must be sector-sensitive and be put on as secure a footing as mainstream academic and business training.

"It's absolutely vital that we provide resources, supports, and programmes to upskill people working in [the CV] sector"

Minister Simon Harris TD, speaking at an event organised by The Wheel in 2022

9. Introduce a designated match-funding facility for European programmes

- **Establish a central match-funding facility of €2m to provide co-financing to CV organisations for EU funding applications.**

Irish CV organisations are unable to apply for many EU funding opportunities because they do not have the funds available to match the EU grants. These organisations are discouraged from accumulating significant reserves. The [Charities Regulator's Guidance for Charity Reserves] says, "Generally, a charity is expected to spend its income on advancing its charitable purposes, unless there is a specific reason for keeping it."

This puts these organisations at a serious disadvantage in applying for EU grants, where matched-funding is a requirement. While a small number of EU programmes offer 100% funding, many require co-financing for between 50% and 80% of costs. This effectively excludes the majority of Irish CV organisations from applying. As such, significant opportunities to draw down funding from the EU are being missed.

A designated match-funding facility would enable more organisations to draw down EU funding. €2m funding would provide sufficient co-financing for approximately 50 approved EU projects. This would result in an overall investment through such EU-funded projects in Ireland of roughly €20m over 3.5 years (assuming that the average project budget is €500k with a 3-4-year duration). This would result in an estimated multiplier effect of 8:1 based on OECD figures, or €40m investment through such projects over the period.

We recommend ensuring a streamlined process for presenting project plans and securing a guarantee of Government co-financing so as not to add more of an administrative burden to the EU application process. Working with Access Europe to design the application system and publicise its availability within the sector would also allow support and training to be provided in accessing match-funding.

With only a 20-50% investment into project costs from Government, we would benefit hugely from the value that such projects bring to communities and to the social innovation ecosystem in Ireland. The ability to fully capitalise on the opportunities provided by EU funding is vital for delivering on key goals outlined in the DRCD's strategies on social enterprise, volunteering, rural development, and the community and voluntary sector. It is also key to ensuring Ireland's role in fully realising the European Green Deal and the European Pillar on Social Rights.

Other EU countries have match-funding facilities that have worked very effectively, and the Irish government has seen significant benefit from its own investment in match-funding for the PEACE IV Programme (now PEACE Plus) in Northern Ireland and the border counties of Ireland. PEACE IV saw the investment of €270m in the eligible region over the six-year period from 2014 to 2020. €229m was provided through the European Regional Development Fund with the Irish and UK governments providing an additional €41m in match-funding.

This is a modest ask for what would be a significant return on investment from Government. With Ireland now acting as a net contributor to the EU budget, it is more important than ever that we fully capitalise on the EU funding available to Irish communities and seek to position ourselves as leaders in innovative and impactful EU-funded projects.

10. Support organisations engaging in social enterprise

- **Provide social economy organisations with access to general business supports for SMEs and ensure that the special features of social business models are understood and accommodated.**
- **Diversify funding opportunities for social enterprises beyond the current reliance on the Dormant Accounts Fund.**

Social enterprise is at the heart of the wider social economy in Ireland, and most social enterprises hold charitable status; 88% are registered with the Charities Regulator, according to a recent report by Social Enterprise Republic of Ireland (SERI).

In December 2021, the European Commission published the Social Economy Action Plan. For the first time, the EU Commission has provided a fully inclusive definition of social economy, which comprises associations (including charities), social enterprises, cooperatives, and mutual benefit societies. This reflects the existing diversity of the sector and describes a great many of The Wheel's members.

While this recognition is important, the need for supports and financing remain pressing concerns for many social economy organisations. The National Social Enterprise Policy acknowledges the need for a range of policy measures to assist with finance and business development for social enterprise, and there have been many learnings from the policy to date. Its successor is due for development in 2023.

Ensuring that the objectives of these policies are achieved and that the social economy in Ireland thrives relies on a series of recommendations included elsewhere in this submission: developing long-term sustainable funding models (with multi-annual funding) that make a proportional contribution to the costs of compliance, providing funds to organisations dealing with the impact of global events, supporting fundraising by extending the Charities VAT Compensation Scheme, and bringing down the cost of insurance.

Social enterprises should also be supported in accessing general business supports already available to SMEs in Ireland. Moving forward, these schemes should be structured to recognise the unique contributions and requirements of social business models.

11. Enhance Resources for Shared Island initiatives across civil society

- **Increase the available Department of Foreign Affairs Shared Island Civic Society fund from its previous €500k level to meet demand.**
- **Offer a Shared Island dimension to existing funding themes and programmes.**

Working in partnership with NICVA (our counterpart in Northern Ireland), The Wheel has, through the iCommunity programme, seen the significant demand from CV organisations for opportunities to engage in Shared Island activity. €500,000 in funding was made available in 2023 through the Department of Foreign Affairs' Shared Island Civic Society fund. In supporting the CV sector to access this fund, we are aware that it was significantly oversubscribed. In recognition of the importance of this ongoing programme of cross-border communication and cooperation for communities across the island, we recommend increasing available Shared Island funds in 2024 to meet higher levels of demand.

We also recommend expanding the model of Creative Ireland's "Creative Communities on a Shared Island" initiative to allow collaborative NI/ROI civil-society projects across a range of areas (e.g., climate action, biodiversity, citizen science, social enterprise, human rights, and social inclusion). The Creative Ireland programme aims to foster a shared sense of community across the island of Ireland by enabling creative opportunities for connection through social interaction, engagement, and dialogue. In a similar vein, other existing funding programmes should offer a Shared Island strand to allow organisations in both Northern Ireland and the Republic to communicate and collaborate around shared challenges and opportunities.

12. Act decisively on climate targets and enable CV organisations to engage in community-focused climate action

- **Recognise the asks contained in Coalition 2030's "Budget for the SDGs".**
- **Fund small-scale climate interventions at community level.**

Coalition 2030

As a member of Coalition 2030, The Wheel supports the Budget 2024 asks contained in the coalition's recent report. These include: tagging all national budget lines and reports to specific SDG targets; creating a ten-year policy programme on the funding and implementation of the SDGs, signed by all political parties both in Government and in opposition to ensure long-term commitment; and investing at least €15 million in the 2024 Budget towards SDG disaggregated data collection, ensuring both the CSO[8] and IHREC[9] are sufficiently resourced in order to monitor national SDG progress.

Community Climate Action

The Climate Action Plan acknowledges that climate justice must be a key priority for Government and for all society as a matter of extreme urgency. 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 to drastically change the way our economic and societal structures work. This is the only way to prevent further loss of local resilience, erosion of long-term sustainability and equality in communities, and catastrophic climate chaos for the most vulnerable now and in future generations.

Increasing support for robust participatory approaches is the only way to ensure the scale of the societal response will meet the scale of the challenge. This necessitates that community-led climate action is provided with a corresponding increase in the level of innovative and flexible funding, along with significant capacity-building resources. Such an approach will release the latent potential in communities, which has already become visible through their tremendous responses to the pandemic and the Ukraine crisis.

The approach will result in community-owned social enterprises and cooperatives that will need to be linked to targeted procurement and community wealth-building policies. A partnership approach to delivery of climate justice is essential.

Going forward, it is vital that CV organisations are enabled to continue in their work to tackle the climate crisis and to ensure that economic justice is achieved for those disproportionally affected by increasing environmental instability.

"Sustainable development is a continuous, guided process of economic, environmental and social change aimed at promoting well-being of citizens now and in the future."

Values and Principles for Collaboration and Partnership Working with the Community and Voluntary Sector

SUMMARY OF RECOMMENDATIONS

- **Address the current pay deficit of 10-12% for staff in these organisations to deliver pay equivalence between Section 39/56/10 organisations and their counterparts in state agencies.**
- **Include state-funded charities in public-service pay talks and other relevant fora such as the Workplace Relations Commission to prevent future re-emergence of pay disparities.**
- **Include administrative costs in public service contacts.**
- **Provide multi-annual funding to allow for service planning and development.**

- **Normalise the provision of multi-annual (three- to five-year) funding arrangements across departments that fund the CV sector.**
- **Fund services and supports on a full-cost-recovery basis, providing for core costs, adequate salaries, training and development budgets, and pension contributions.**

- **Introduce a Charities Compliance Matching Fund of €2.94m, equivalent to 60% of the CRA budget for 2023.**
- **Provide for costs of compliance and good governance in all funding agreements.**

- **Provide €15m to support the sector in its ongoing response to the civil need generated by the war in Ukraine and the increased demand on its services as a result.**
- **Support CV organisations with inflation-related costs and ensure their eligibility for enterprise support schemes.**

- **Increase the cap on the VAT compensation scheme from €5m to €20m.**
- **Incentivise significant investment in initiatives to promote societal benefit with the same tax treatment currently available to business investment**
- **Remove the €250 lower annual limit for tax relief under the Minimum Donations Scheme.**

- **Increase the Budget 2023 allocation to the DRCD by €28.7m (8.1%) to enable full implementation and review of the commitments contained in the suite of policies for the CV sector, including the forthcoming National Philanthropy Strategy**
- **Fund the ongoing work of the Health Dialogue Forum with Voluntary Organisations, the Community and Voluntary Pillar, and the work of the Tusla Commissioning Advisory Group.**
- **Provide €4m to the Community Services Programme to align the grant contribution with minimum wage levels.**
- **Establish a dedicated €2m fund to incentivise and cover the cost of mergers and collaborative work in the CV sector.**
- **Expand dormant accounts funding and include a dedicated budget line to support DRCD initiatives.**

- **Take meaningful action on insurance reform.**

- **Invest €10m annually for the next five years in a dedicated Workforce Skills and Training Framework for the Community and Voluntary Sector**

- **Establish a central match-funding facility of €2m to provide co-financing to CV organisations for EU funding applications.**

- **Provide social economy organisations with access to general business supports for SMEs and ensure that the special features of social business models are understood and accommodated.**
- **Diversify funding opportunities for social enterprises beyond the current reliance on the Dormant Accounts Fund.**
- **Increase the available Department of Foreign Affairs Shared Island Civic Society fund from its previous €500k level to meet demand.**
- **Offer a Shared Island dimension to existing funding themes and programmes.**

- **Recognise the asks contained in Coalition 2030's "Budget for the SDGs".**
- **Fund small-scale climate interventions at community level.**

ABOUT THE WHEEL

The Wheel is Ireland's national association of charities, community groups and social enterprises, with almost 2,300 members nationwide.

As a representative voice, we provide leadership to the charity and community 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 charity and community sector.

Contact:

Ivan Cooper, CEO, ivan@wheel.ie

Emily Bourke, Campaigns and Advocacy Officer, emily@wheel.ie