



The September Fest 2020

Technical Stream

Charity Covid Considerations

Presenter:

Ivan Cooper – The Wheel

Sponsored by :-



www.CPDStore.com

Core Technical Online CPD for Irish Accountants
Tax, Audit, Financial Reporting, Insolvency, Company Law, Regulation,
Management Accounting & Business Skills



OmniPro Education & Training
Main Street, Ferns, Enniscorthy, Co. Wexford
053 9100000
www.omnipro.ie info@omnipro.ie



1



2



3

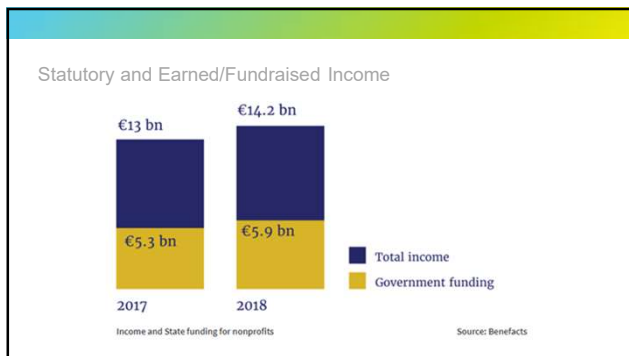
Ireland's Third Sector - Basic Facts

Benefacts Analysis 2020

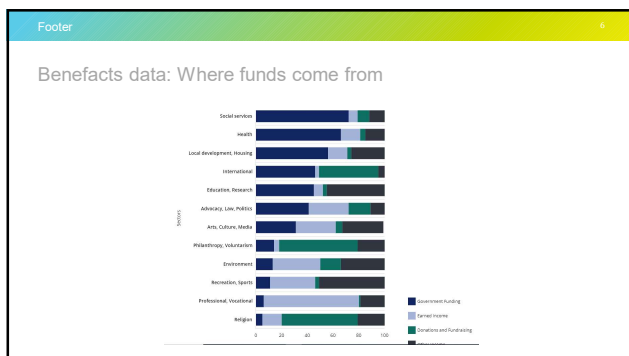
- 32,841 Organisations
- 165,075 Employees
- 86,481 Directors/charity trustees
- €14.2bn Turnover
- €5.9bn State funding

- A larger employer than sectors like agri-food or hospitality sectors.
- This is a large, important but often under-acknowledged sector

4



5



6

ECONOMIC VALUE OF CHARITIES

- Indecon Economic Consultants (in a [report](#) published by the Charities Regulator in 2018) estimate that total direct, indirect and induced value of the work of Ireland's charities exceeds **€24bn per annum** and supports **289,000 employees**.
- Indecon estimate that over half of the overall income of the sector (they estimate over €8.3bn) is raised by these organisations themselves, and represents a major subsidy to the cost of public services in Ireland.

Source: Indecon analysis of Charities Regulator data

7

Irish Charity Engagement Monitor

May 2020

the wheel

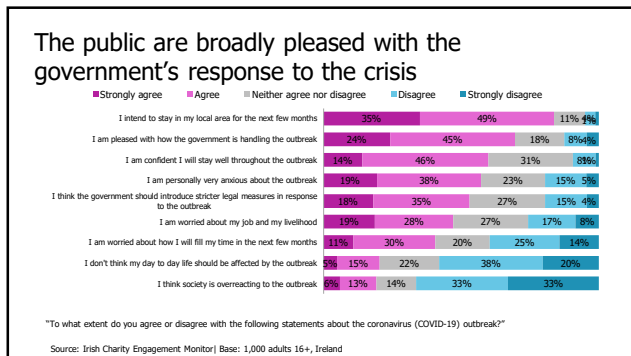
Stronger Charities.
Stronger Communities.

nfpSynergy
helping non-profits thrive

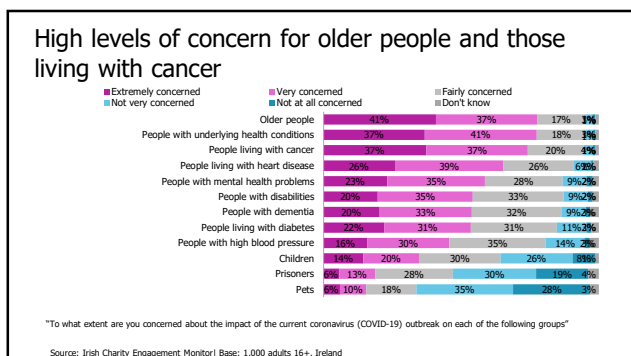
8

Charities and the Coronavirus Pandemic

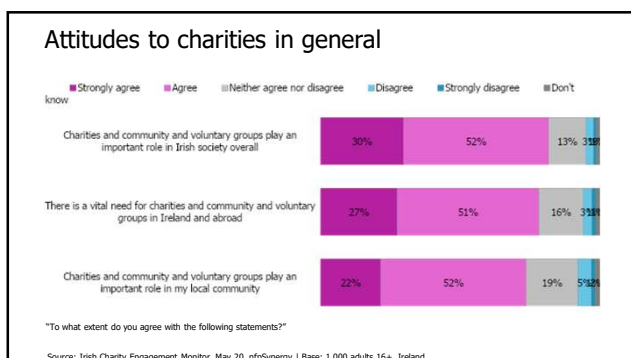
9



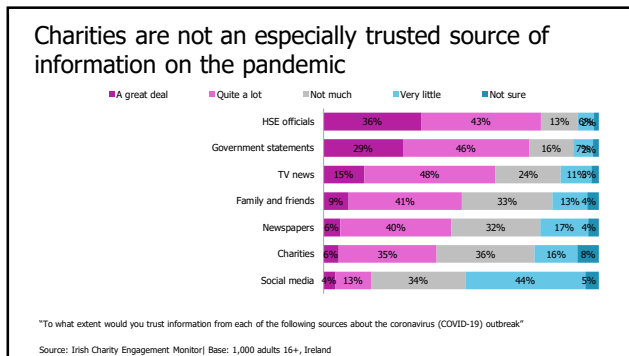
10



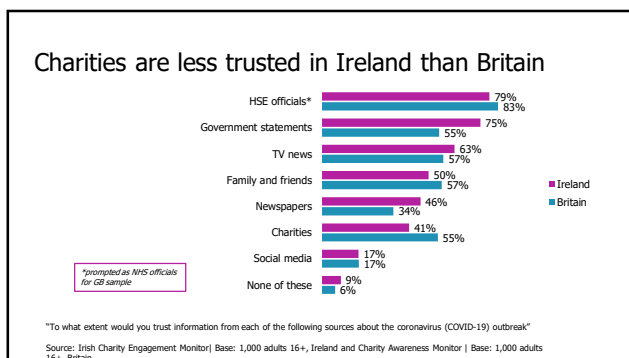
11



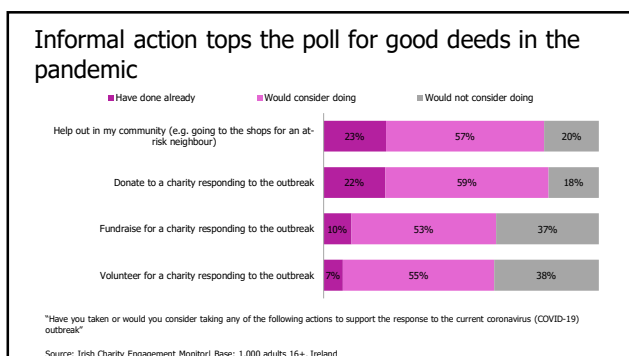
12



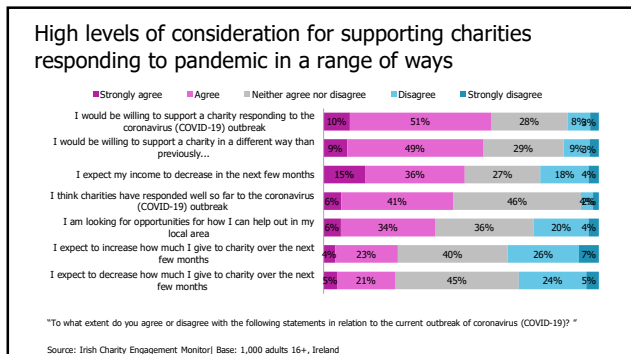
13



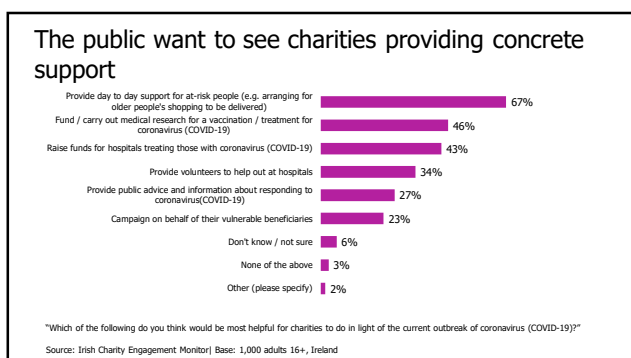
14



15



16



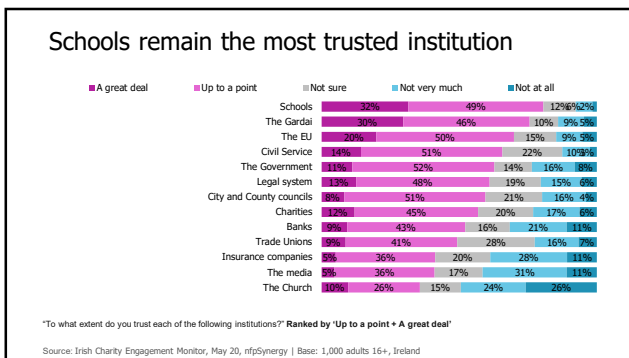
17



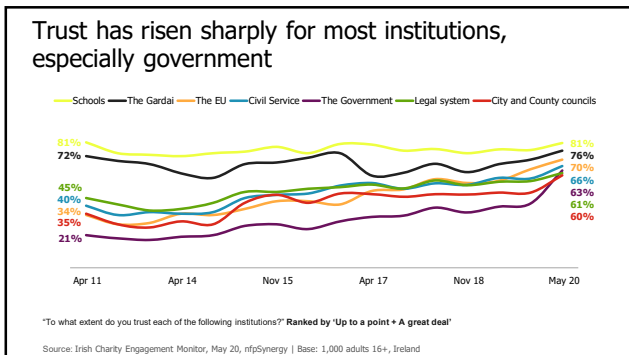
18



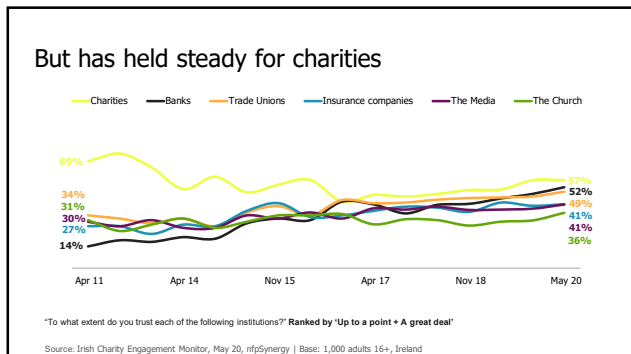
19



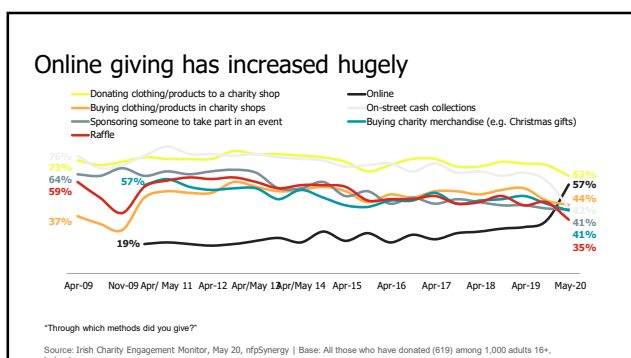
20



21



22



23



24

THE ROLE OF THE SECTOR

- Delivery of public services
- Contributing to policy-making
- Independent advocacy and voice
- Enabling participation
- 'Partnership' working: national and local arenas
- Undertaking research
- Creating opportunities to access education, training, income
- A significant employer
- A significant part of the economy

25

VALUE OF COMMUNITY & VOLUNTARY APPROACH

- Responsive, tailored and holistic approaches to identifying and meeting needs;
- Flexibility, innovation, integration and collaboration in delivery;
- Ownership, involvement and empowerment of service beneficiaries and the wider community;
- Contributing to building social capital and social cohesion;
- Bringing additional sources of funding to support their work that would not be available to the State.

Source: 'Let's Commission for Communities' (2016)

26

The Impact of the COVID19
Crisis on The Community
and Voluntary Sector

27

Faced with the COVID-19 crisis Ireland's community and voluntary sector responded with an extraordinary surge of effort to support people and communities impacted by the disease whilst dealing with the greatest ever collapse in earned/fundraised income.

28

ORGANISATIONS ADAPTED AND INNOVATED TO...

- Remotely deliver services
- Respond to the need for socially distanced and safe services;
- Cut costs and redirected resources to priority areas;
- Designed new service-responses targeted at meeting new and emergent need.
- Collaborated in new ways with peer organisations and funders
- While the nation stayed home community and voluntary services reached out
- Mobilised 1000s of volunteers

29

GREATEST EVER COLLAPSE IN FUNDRAISED INCOME

According to Benefacts (a part-government funded non-profit data analysis service) the average **40% reduction** in earned and fundraised income reported by small and medium charities to date would amount to a **total loss of €1.5bn** if the losses were to continue for the whole of 2020. This amounts to a minimum projected **€400m loss** of earned/fundraised income to date due to activity suspended by the COVID-19 crisis.

30

Key findings from The Wheel's Members Survey are that, as a result of the Coronavirus (Covid-19) pandemic:

- 55% of respondents said their charity's finances are uncertain or in difficulty;
- 68% of respondents said that their charity's services were restricted as a result of the crisis;
- While 29% of respondents indicated that their charity did not fundraise, of the 71% of respondents who said that their charities did fundraise, 90% stated that their charities had to cancel or postpone fundraising for 2020;
- 54% of respondents were concerned that their charity may be unable to continue providing services for more than 6 months.
- Within this group, approximately 9% of respondents were concerned that they may not be able to provide services for more than 1 month, 28% for more than 3 months and 17% for more than 6 months;

31

WHAT CONCERNS DO OUR MEMBERS HAVE?

Short-Medium Term

- Inability to perform their core function/provide services for those who need them
- Increased demand for existing services
- Difficulty adapting services to current situation
- Loss of income; fundraised/earned income; lack of eligibility for govt. schemes such as the Wage Subsidy Scheme and microfinance loans; continuation/flexibility of statutory funding
- Challenges recruiting volunteers and boards

32

WHAT CONCERNS DO OUR MEMBERS HAVE?

Long Term

- Impact of a recession on all types of funding – state/fundraising/earned income
- Increased demand for services as a direct result of the crisis and of rising inequality and disadvantage
- Increased/accelerated focus on public service reform without due regard to role of cv sector in services
- Compulsion towards more collaborative working and forced-mergers (no concern with collaborative working in general or mergers where appropriate)

33

5 YEAR STRATEGY TO SUPPORT THE CV SECTOR



Sustainable, Inclusive and Empowered Communities
A five year strategy to support the community and industry sectors to prosper
2019-2024

The action plan includes...

- Review **regulatory compliance requirements**
- **Reduce and streamline** compliance load
- Develop a **multi-annual funding** approach for public-programmes generally
- Introduce a model for **full cost recovery** for all programmes

34

NATIONAL SOCIAL ENTERPRISE POLICY



National Social Enterprise Policy for Ireland
2019-2022

Actions Include

- Providing information on the various **business supports available** to social enterprises, and working to address gaps.
- Providing **advice and supports** to assist social enterprises to develop proposals.
- Supporting **capacity-building** for social enterprises in relation to **procurement** processes

35

NATIONAL STRATEGY ON VOLUNTEERING IN DEVELOPMENT BY DRCD

The new Programme For Government has commits to:

- Publishing of the strategy to support volunteering, including the development of a comprehensive supporting infrastructure and measures to disseminate best practice.

Consultation
Volunteering Strategy – Call for Input

Last updated: 3 April 2019
Published: 7 December 2018
From: Department of Rural and Community Development

Consultation is in review
Open from: 12:00 on 7 December 2018
Closed on: 15:00 on 14 February 2019

The Department of Rural and Community Development (the department) issued a 'Call for Input' (CFI) to inform and seek views from stakeholders on key topics under consideration to develop a National Strategy on Volunteering (the strategy).

36

INDEPENDENT REVIEW OF ROLE OF VOLUNTARY ORGANISATIONS IN HEALTH / SOCIAL SERVICES (2019)

IRG Report Recommendations include:

- Forum to structure relationships
- Charter to set out governing principles for relationship
- Essential services list to be agreed with full-cost funding
- Revision of service agreements to simplify
- Avoid duplication of reporting
- System to manage deficits
- Multi-annual budgeting
- Publicly-funded support function for smaller organisations
- Innovation fund

37

SLAINTECARE ACTION PLAN

In section on Public and Private Delivery Partners:

"Sláintecare stresses the importance of public money being spent in the public interest. We will work with our delivery partners to agree how the many public, private and voluntary providers can each play their role in a joined-up way to deliver the service needs of the population."

38

TUSLA COMMISSIONING STRATEGY

"Tusla will **work in partnership** with the Community and Voluntary Sector to build the capacity of the sector through targeted training and development. A partnership approach will be taken at all times...**respecting the unique role of community and voluntary organisations**".

"Commissioning should incorporate key **capacity-building measures** for the local community and voluntary sector in order that it can respond to the

39



40



41



42

WELCOME RECOGNITION OF THE SECTOR BY THE NEW GOVERNMENT

- The retention of a Cabinet Minister with responsibility for Community and Rural Affairs in the new government acknowledges the vital role played by charities
- The appointment of a Minister, in conjunction with the positive measures outlined in the Programme for Government will support community based solidarity and endeavour in facing the challenges ahead.
- The coming period will be very challenging for communities and community based organisations, as in deed it will for our entire economy and society.

'We must take the good things we have learned from the pandemic and apply them towards a resilient future. This is a Programme to recover our economy, rebuild our society, renew our communities, and respond to the challenges we face both nationally and internationally'.

Source: Programme For Government 2020

43



THE FUTURE OF THE SECTOR

44

A SHOR TERM LIFELINE FOR THE SECTOR

Through key campaigning work with our partners in the sector a warmly welcomed €40 package of supports for the sector was achieved.

1. A targeted €35m Stability Fund, distributed as once-off cash grants, to provide immediate short-term cash flow for organisations delivering critical services that have suffered significant income loss due to COVID-19 restrictions.
2. A €5m Government contribution to a Philanthropy Fund focused on supporting COVID-19 responses that require innovative and adaptive solutions to existing and emerging challenges.

45

SUSTAINING SOLIDARITY

To sustain the crucial role that the community and voluntary sector plays both in

- 1) social service provision sustaining vulnerable people/communities and in
- 2) contributing to Ireland's economic recovery and maintaining employment.

The minimum €379m short fall in fundraised and earned income must be addressed and mitigated through medium and long term supports of the sector.

"The great spirit of solidarity and co-operation evident between the community sector and government during the worst of the pandemic should and must be strengthened and built on." Deirdre Garvey, CEO, The Wheel

46

probable changes that the sector needs to be prepared for:

- A likely very significant increase in demand for the supports, services and advocacy provided by community and voluntary organisations in a context of an increase in already-existing disadvantage and inequality – with a risk of significant left-behind and un-served populations
- Increased public appetite for more integrated and universal public services with an increased emphasis being placed on achieving and demonstrating highest standards and consistency in outcomes across the country

47

- Increased focus on public-service reform as the state a) grapples with the fiscal consequences of the crisis and seeks to do more with less and b) is inspired and motivated by its success in organising the emergency response
- A period of pressure on the public finances which will likely translate through to pressure on statutory funding for health, social services and community services

48

- A potentially protracted period of significantly reduced earned/fundraised income and increased competition between organisations to secure these resources
- Increased interest in collaborative and partnership working on the part of cash-strapped organisations with similar missions or serving similar communities, with mergers potentially offering a practical solution to ensure continuation of mission in challenging circumstances.

49

Opportunities include:

- An energised population newly enthusiastic and experienced in community response, eager to stay involved in organised community activity, motivated by their experience of positive community values, open to imagining a future based on and in the service of these values
- The mainstreaming of the new ways of delivering remote services / using new technological solutions that have been developed in response to the COVID crisis.
- The mainstreaming of new ways of behind-the-scenes internal-organisation work.

50

- Fixed overhead costs such as premises-rental will likely reduce as increased working remotely becomes a new normal (more hot-desking for example).
- Collaborative work will likely continue as relationships and alliances and coalitions formed to maximise sector's response to crisis persist.

51

On basis of all the above – emergent priorities for the sector include:

- The role of the community and voluntary sector in sustaining communities should be acknowledged and explicitly supported in all existing and new strategies and reform processes
- All reform processes should formally aim at high-quality, universally available, responsive, flexible, inclusive, and holistic supports and services

52

- Funds for existing service, support and advocacy work being done by community and voluntary organisations should be at least maintained in the aftermath of the crisis (with increased funds being provided for new and emergent need) – and any change processes should aim at increasing effectiveness – not at reducing costs.
- Funds and supports should be made available to better capture and communicate the impact of sectors work

53

- Dedicated funds should be made available to support increased collaborative working and where appropriate, mergers
- Funds should be made available to support, empower and enable key sub-sectors within the cv sector to identify priorities for the work that they do and the communities they serve. This will enable sub-sectors to develop leadership, collaborate and participate from a position of strength, and on an equal footing, with statutory partners in future engagements.

54

The Wheels Budget 2021 asks:
LONG-TERM RESOURCING OF THE SECTOR

- Adequate and Sustainable Funding for the Sector (€400m additional)
- Bring Down the Cost of Insurance
- Resourcing for the New Strategies for the Sector
- Adequately Resource Health and Social Services, Child and family Services and Education Services
- Frameworks for Collaborative Working

55