



Stronger Charities.  
Stronger Communities.

Dear Bernadette,

I am writing to you as a member of The Wheel with an update on recent developments in the Community, Voluntary and Charity Sector and the work we are doing on your behalf to address the pressing issues the sector faces. The sector is currently transitioning through a period of rapid and unprecedented change in the way we are regulated, funded, and indeed understood. The next three or four years will set the template for our sector for generations to come. Interesting times are well and truly here!

Starting with some good news. As I am sure you are aware (I emailed all our members about this last week), the Government announced a [VAT compensation scheme for charities](#) in Budget 2018. The scheme is designed to compensate charities for a proportion of the VAT they pay on goods or services bought using non-statutory funds. Over the last six months, The Wheel has put a great deal of effort into campaigning for such a provision (building on the great work done by ICTR, the members of CII and the sector at large over many years) and we are delighted at the outcome for the sector ([you can read our statement on the scheme here](#)). It's not perfect - there is a €5M cap for the next three years on the provision - but it's a great and truly welcome start - and we have congratulated Minister Pascal O'Donoghue on the announcement, and Minister Katherine Zappone, Michael Harty TD and the opposition leaders and spokespersons for the vital support they lent in securing the breakthrough. ***You can read more about Budget 2018 and the provisions that will affect the work of community and voluntary organisations in our Budget 2018 analysis [here](#).***

While VAT compensation is important, there's a lot more going on right now that's shaping the future of our sector.

The new [Department of Rural and Community Development](#) - the lead department for the community, voluntary and charity sector - is busy developing its first *Statement of Strategy*. The Wheel had a very constructive and positive meeting with Assistant Secretary Bairbre Nic Aonghusa and her departmental team in October where we highlighted key issues identified in our [submission](#) to the department's recent strategy-development process. Responsibility for charity regulation has been transferred from the Department of Justice to the new department, and The Wheel very much welcomes this move as it brings regulatory policy under the same roof as development policy, and we believe that this creates the conditions for more coherent policy for the sector. As you will be aware, the sector is facing ever-increasing regulatory and reporting demands, and while necessary from the perspective of

maintaining public trust in the work of the sector, these increasing requirements have not been accompanied by an equivalent investment to support organisations to meet the additional costs.

The **cost of compliance** has, in fact, emerged at our recent series of discussion forums as *the most pressing and urgent issue facing our members*. The Wheel welcomed the publication of the [Charities Regulator's Guidance for Fundraising](#) in September - and we took the opportunity it presented to publish an [opinion piece in The Irish Times](#) calling for an investment in the sector to enable organisations to meet the increasing cost of compliance. We pointed out that the state has made a very large investment in the Charities Regulator (which now has 38 staff with sanction for 50 in due course), but that **no additional resources have been made available to enable charities to meet the ever-increasing compliance costs** they now face.

In addition to the compliance costs associated with charity regulation, many charities must also comply with the requirements of the: *Companies Registration Office; Register of Lobbying; Revenue Commissioners; Garda vetting of volunteers*; and depending on who funds them, the regulatory and reporting requirements of the *HSE; Tusla; Pobal; the Housing Regulator; HIQA*; and various procurement directives from the *Department of Public Expenditure and Reform* and the *Office for Government Procurement*. And all of this before we mention the **General Data Protection Regulations** (the GDPR) which comes into effect on 25 May 2018 and with which all charities and Community and Voluntary organisations will have to comply.

Rest assured that we are working hard to ensure that the cost of compliance is recognised and provided for by funders - and we have called for the Department and the Regulator to take the lead in establishing a **formal initiative to streamline and rationalise the regulatory and reporting regime that charities currently face**. Remember too that the Regulator will be publishing financial reporting guidelines and may be publishing a governance requirement for charities in 2018 - so the cumulative effect of all of this is likely to remain a pressing issue in the months, and years, ahead. We will keep you informed of developments as we work to advance this key issue.

In addition to developing its own Statement of Strategy, the Department of Rural and Community Development is also advancing the production of its **Implementation Plan for Local and Community Development**, a plan which the department has stated will address the commitment in the **Programme for Government** (secured by The Wheel) **to develop a strategy to support the community and voluntary sector**. The Wheel is participating in the **Cross Sectoral Working Group** established by the department to develop the plan, and we are working to ensure that the need to streamline and fund regulatory and reporting requirements is identified and provided for in the plan. We are also working to ensure that all the other pressing issues affecting the sector are addressed in the plan; issues such as the need for a coherent long-term funding model to support the work of the sector, and the need to make sure that commissioning initiatives support the full *societal-value* in the work of community and voluntary organisations - and are not aimed solely at minimising costs! Value

for money is important - but so is quality of service and the centrality of people in designing of and controlling their services.

As mentioned above, the requirements of GDPR take effect on 25 May 2018 and all charities will have to comply. We know that this is a complex and potentially confusing and anxiety-inducing requirement for many people and organisations - so please know that we are very close to publishing our simple and straightforward (to the extent that anything associated with GDPR can be simple and straightforward) ***Guide to Complying with the GDPR***. We also met senior personnel in the ***Office of the Data Protection Commissioner*** to brief them on the challenge facing charities in complying with the regulations, and to seek provision of customised, targeted, and locally-available information and guidance sessions for charities. Watch this space for developments...

Many members of The Wheel are funded by the HSE or Tusla - and we have been busy on behalf of both sets of members in recent months. The Wheel's ***HSE-funded Members Network*** met in July and considered communications received from the HSE relating to governance requirements, at which many, many issues were identified. The Wheel is currently working on bringing these matters to the attention of the HSE and will be bringing our HSE-funded members together again soon to consider developments. We are also working on the most productive way of addressing the recent disappointing news that there is "no HSE funding to restore pay in section 39 funded organisations" as reported in the [The Irish Times](#). We are seeking to work with our colleagues in the *Not-For-profit Business Association*, *DFI* and the *National Federation of Voluntary Bodies* to understand what now needs to be done to resolve this extremely unsatisfactory, and indeed unacceptable situation. We are calling on the Department of Health, DPER - and Government collectively if necessary - to take ownership of this issue given that Tony O'Brien (Director General of the HSE) has reported in the article that the resolution of the issue is apparently *above the pay grade of the HSE*.

The Wheel has also established contact with the Department of Health's Review Group to Examine the Role of Voluntary Organisations in Publicly Funded Health Services. [Read more here](#).

We have welcomed the announcement of this review, and we will be working on preparing our submission in the months ahead. We will be bringing our HSE funded members together once we have met with the group undertaking the work and fully understood the opportunities that the review presents, and the processes of engagement that it will propose. [Join our HSE Network](#).

**Tusla-funded organisations** will be aware that the pilot roll-out of the **commissioning** approach to services continues apace, and that the approach will be mainstreamed over 2018. Many organisations will also be awaiting with interest the new service agreement currently being drafted by Tusla. The Wheel is continuing to work as a member of ***Tusla's Commissioning Advisory Group*** and we are encouraging Tusla to consult widely on the draft documents in the months ahead before finalising same. It is important that all Tusla-

funded organisations have an opportunity to consider and understand the new approach, and the agreements that will govern their relationship in the years ahead. Again, I will supply more details as soon as I can, and watch out for The Wheel's forthcoming Tusla Network events. [Join our Tusla Network](#).

There are a lot more going on shaping the future of our sector - but I have run out of time and space (as I am sure you have too). I hope you are satisfied with the progress we are making on your, our member's, behalf - and please do let me know if there are any other issues that you feel we should be concentrating on.

Kind regards,

Ivan

**Ivan Cooper | Director of Public Policy**

The Wheel | 48 Fleet Street, Dublin 2

T: (01) 454 8727 | E: [ivan@wheel.ie](mailto:ivan@wheel.ie) | W: [www.wheel.ie](http://www.wheel.ie)

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