

**COMMUNITY
FINANCE
IRELAND**

Financing Social Enterprise

FINANCING THE COMMUNITY AND VOLUNTARY SECTOR IN IRELAND

AN OVERVIEW BY COMMUNITY FINANCE (IRELAND)



Deirdre Mortell, CEO Social Innovation Fund with Simon Coveney, Minister for Housing, Planning Community & Local Government, and Jacquelline Fuller, Director of Google.org at the launch of THINKTECH on 21st June 2016. THINKTECH is a project seeking ideas for a better Ireland with innovation and technology at their core, which is Ireland's first TechForGood Fund, offering € 1 million made up of a donation of €500,000 by Google.org, which is matched by Government. Community Finance (Ireland) provided a bridging loan to the Social Innovation Fund to assist with their establishment.

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Introduction to Community Finance (Ireland)

Ireland was once described as a 'community of communities' and it is this idea that is at the heart of Community Finance (Ireland). Central to everything for Community Finance (Ireland) is that central belief, that through empowerment of local populations we can help support those same communities to tackle inequality, enhance social cohesion and create a lasting impact. As a registered charity, all profits generated by Community Finance (Ireland) are retained and recycled for reinvestment back into the community.

Community Finance (Ireland), formerly known as UCIT (Ireland) Ltd, operates as a charity providing loans exclusively to organisations such as community groups, charities, sports clubs and social enterprises in Ireland. Since 2001, as part of the wider Ulster Community Investment Trust (UCIT) Group, we've committed in excess of €80 million to over 400 organisations across the island of Ireland. Community Finance (Ireland) make finance available to organisations for buildings and equipment, working capital, cash shortfalls, bridging finance against delayed grants or other confirmed income, and restructuring of existing debt.

The community and voluntary, often referred to as the 'third sector', is the backbone of the Irish economy, the heartbeat of Irish society and the glue that holds communities together. The work of the thousands of community and voluntary organisations play an integral part in every community, parish, village, town, city or county. In many cases, it is the community and voluntary sector that provides services in places that the state or the private sector. The high level of volunteerism and community activism in Ireland is difficult to quantify, however at Community Finance (Ireland) it is visible in every project that we support and every community we work alongside.

Donal Traynor

Associate Director, Community Finance (Ireland)

Introduction to Financing the Community and Voluntary Sector in Ireland

The findings of ***Financing the Community and Voluntary Sector in Ireland*** provide a great deal of information to be analysed by everyone in the sector, including key policy-makers and political stakeholders. Community Finance (Ireland) undertook an extensive nationwide survey of the community and voluntary sector to get a deeper understanding of the issues impacting upon community and voluntary organisations throughout Ireland.

A total of 437 separate clubs and organisations in every county in the Republic of Ireland completed the survey, helping to complete the largest and most comprehensive overview of the community and voluntary sector in recent years. Every organisation provides services or facilities to a broad range of people on a weekly or monthly basis. A total of 476,210 people used the services in the last calendar year (2015) of the 437 separate organisations surveyed, giving an average of 1,090 service users per organisation per annum.

The views expressed by the organisations in relation to the impact of Government cutbacks to schemes are extremely forceful, while there is praise for a number of new governmental schemes that have impacted positively upon the community and voluntary sector. There is much frustration with the ever increasing level of red-tape or bureaucracy associated with . The vast majority (71%) of organisations have no full-time employees and rely exclusively on volunteer members and directors. On average, each organisation surveyed had 35 volunteer members within their ranks, helping to ensure the successful running of the organisation.

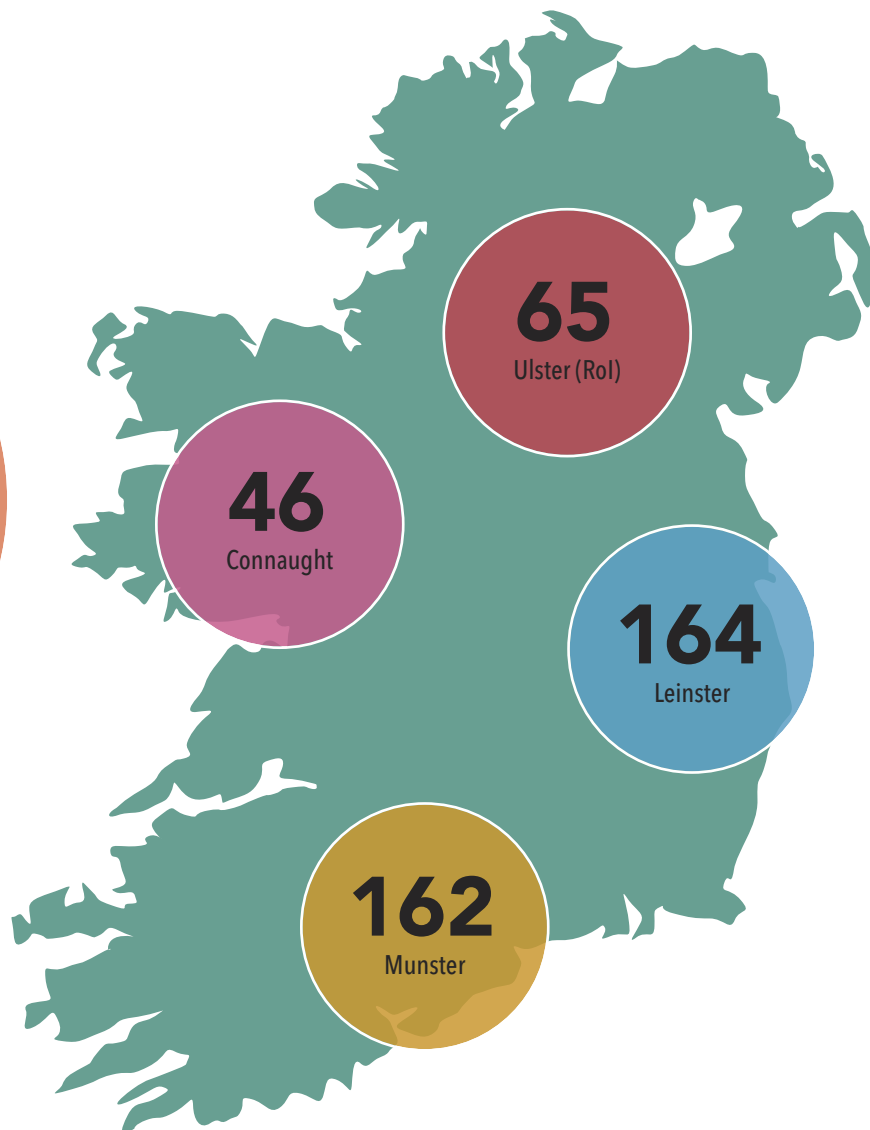
While a significant number of organisations receive grants, it is worth noting that 67% of them receive between zero and €10,000 in grant aid per annum.



Social Innovation Fund Ireland's first four Animate Awardees were announced in January 2016. Left to right - Seán Peters, Save a Selfie; Dara Connolly, ReCreate; Majella Murphy & Colette Ryan, Carebright Village; and Rónán Ó Dálaigh, Thriftify. Animate sought applications from early stage social innovations, and offered €80,000 in grants and non-financial supports.

1. KEY FINDINGS

THE REGIONAL BREAKDOWN OF RESPONDENTS



1. KEY FINDINGS CONTINUED

37%

Of organisations operate
as a Club or Association

77%

Of organisations operate
locally within one county

21%

Operate as a Registered Charity

35%

Operate as a Limited Company

10%

Of organisations operate regionally
within a number of counties

13%

Of organisations
operate nationwide



80,718

Total membership of the organisations surveyed



195

Average membership of each organisation surveyed



476,210

The total number of users that use the services and facilities



1,090

The average number of users of the services and facilities per organisation



21,855

The total number of volunteers involved across all organisations



50

The average number of volunteers per organisation



71%

Of organisations have NO fulltime employee



29%

Of organisations have a fulltime employee



2.2

The average number of full-time employees



37%

Of organisations have at least one part-time employee



2.6

The average number of part-time employees



45%

Of organisations have an employee supported by a state employment scheme



2.6

The average number of employees supported across all organisations by state employment schemes



6.1%

The average rate of interest being charged to organisations (highest is 12%)



27%

Respondents currently have debt



82%

Of organisations had income and expenditure under €250,000 in 2015



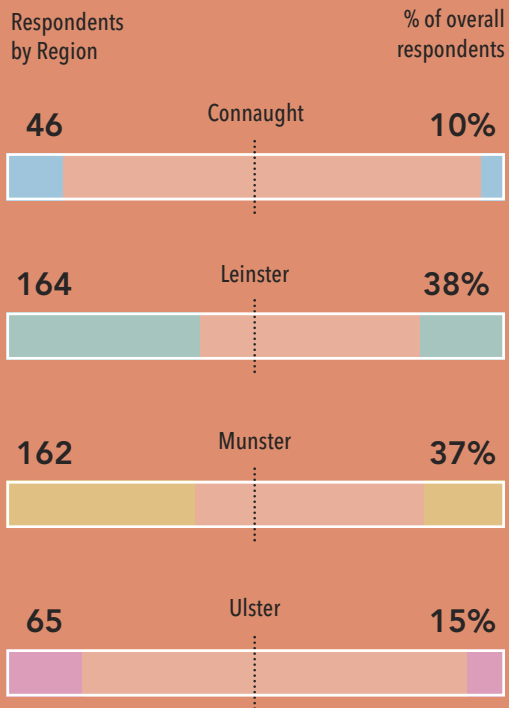
79%

Of organisations received a grant in 2015

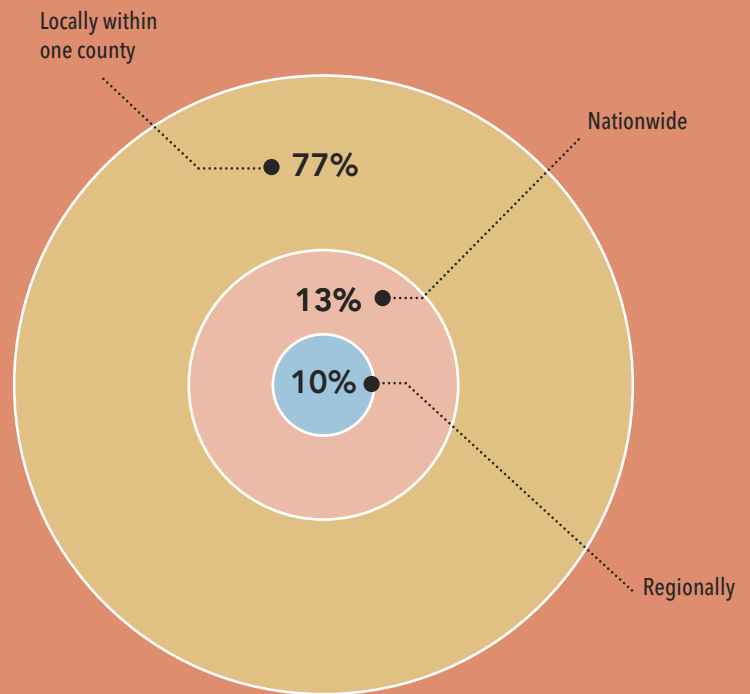


Ablevision Ireland provide valuable training across a range of media disciplines to Young Adults with Intellectual Disabilities around the North East Region

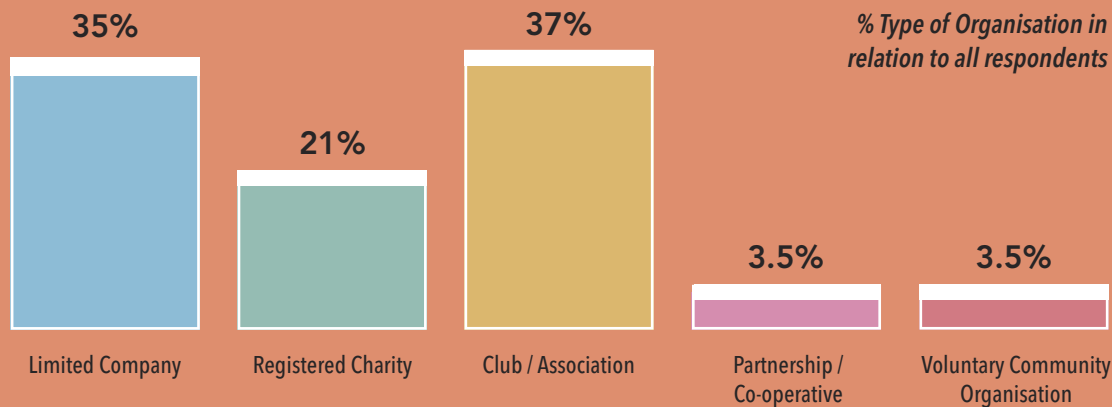
2. RESPONDENTS BY REGION



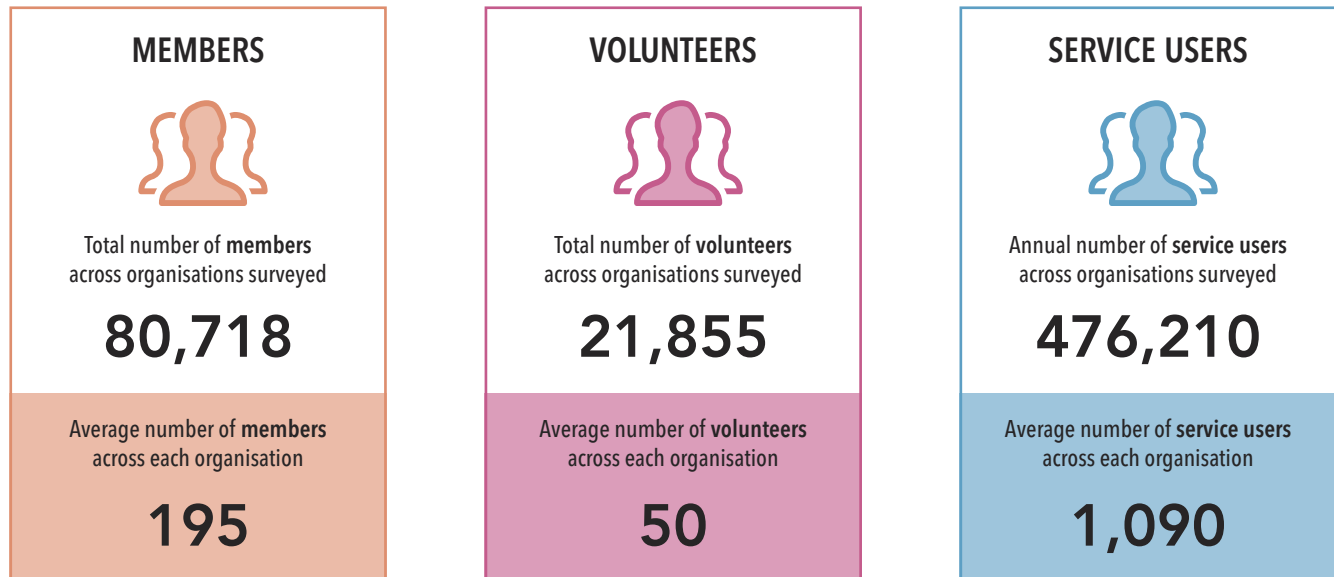
3. LOCATION OF ORGANISATION



4. BREAKDOWN OF TYPE OF ORGANISATIONS

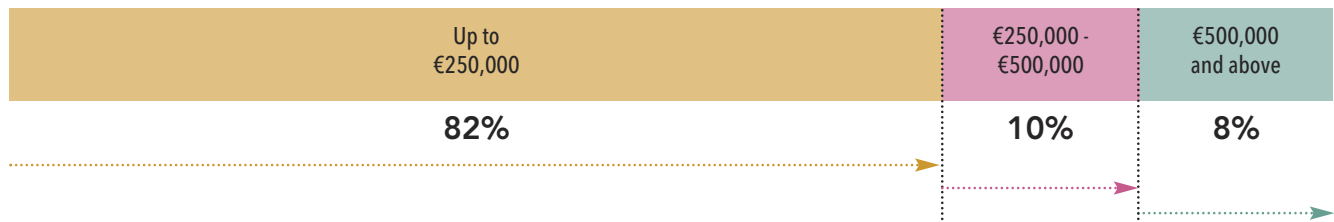


5. NUMBER OF MEMBERS ACROSS ORGANISATIONS SURVEYED AND AVERAGE NUMBER OF VOLUNTEERS; NUMBER OF SERVICE USERS



6. SUMMARY OF ORGANISATIONAL ANNUAL INCOME AND EXPENDITURE (2015)

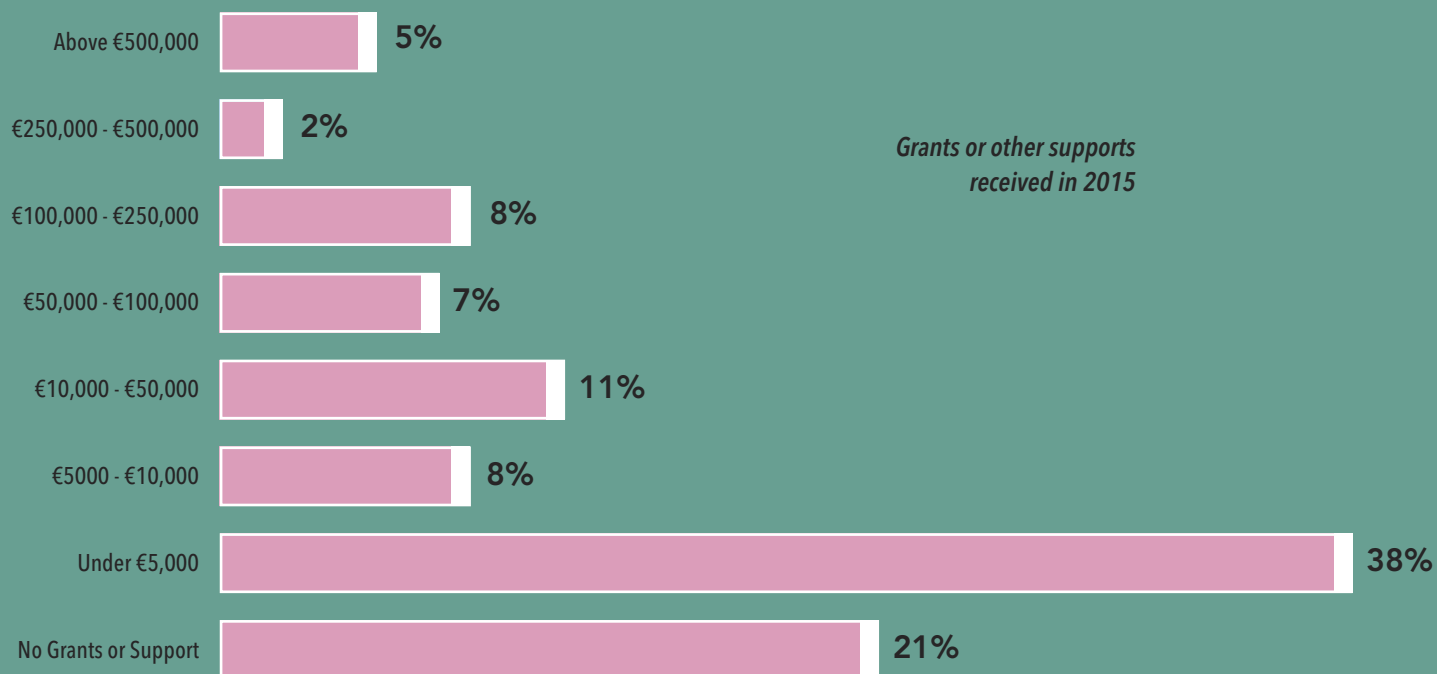
Annual income for 2015, including grants or other supports



Annual Expenditure 2015

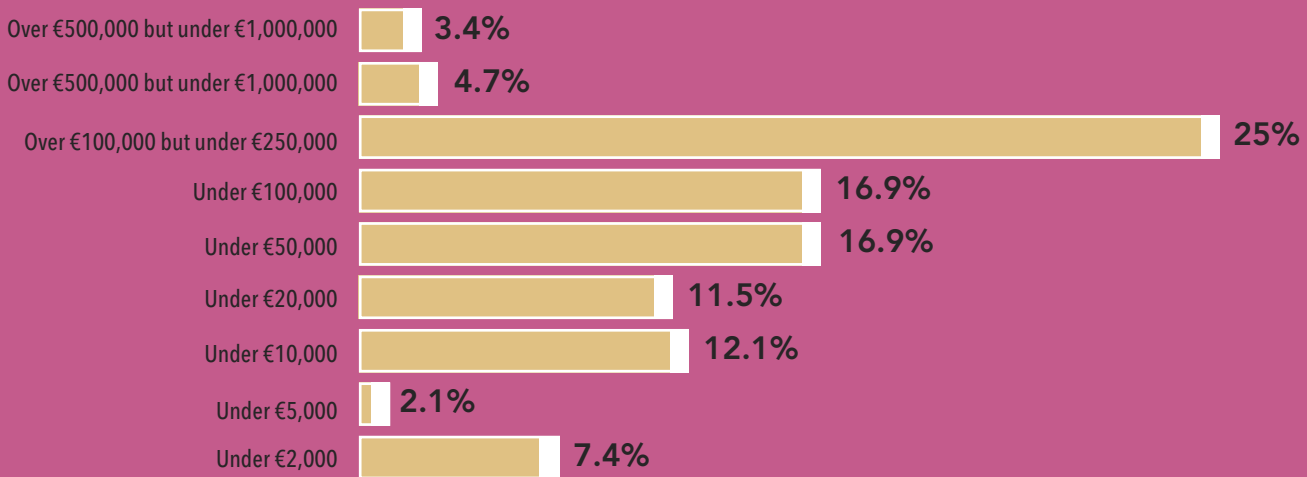


7. GRANT AID RECEIVED BY ORGANISATION (2015)



8. ORGANISATIONAL DEBT

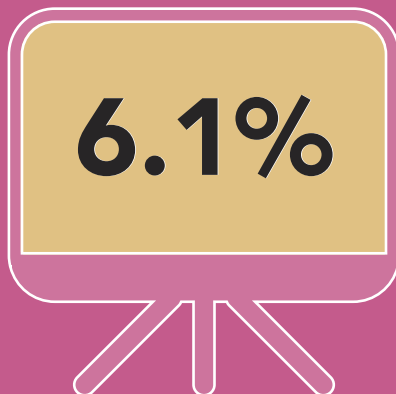
8 (A) Approximate level of debt remaining



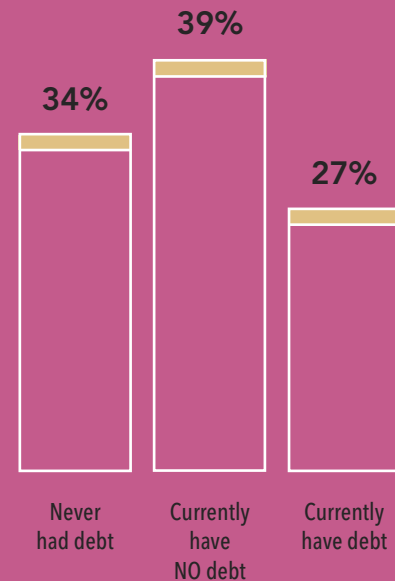
These figures relate to the 27% of respondents that had debt remaining

8 (B) The average interest rate charged on the debt of all organisations

The highest interest rate on debt recorded in the survey was 12% for an organisation in the Midlands

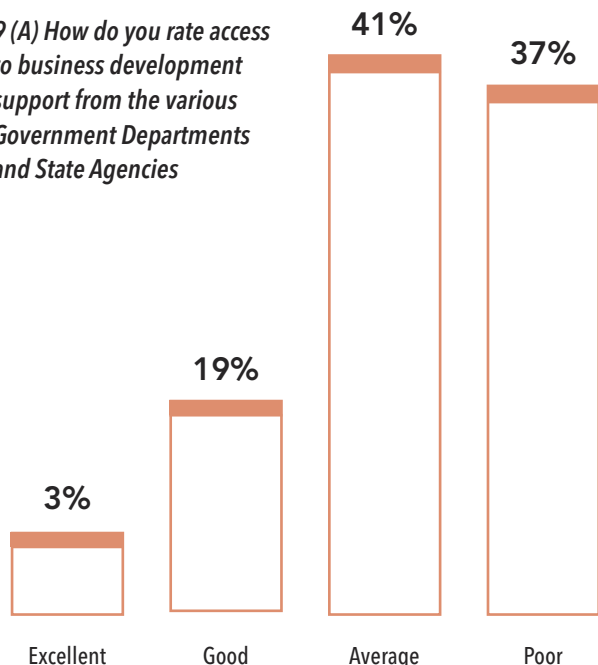


8 (C) Does the Organisation have debt (that is interest bearing)

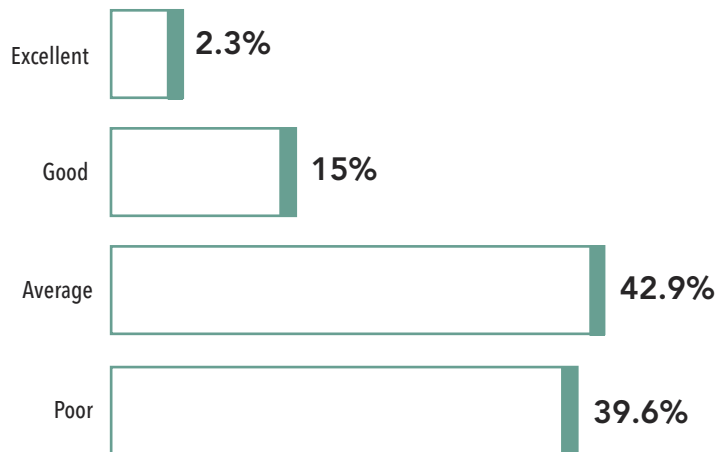


9. RATING OF ACCESS TO SUPPORTS

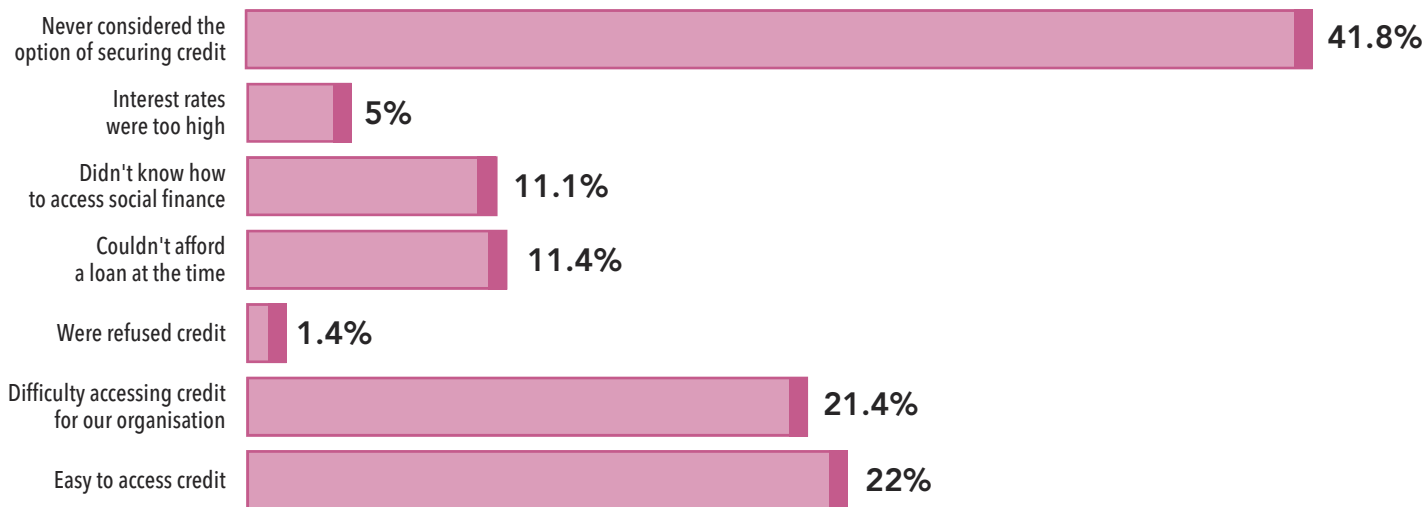
9 (A) How do you rate access to business development support from the various Government Departments and State Agencies



9 (b) How do you rate access to financial management support for your organisation, from the various state and local agencies and local authorities



9 (C) The experience in relation to accessing credit for organisations





Rathmullan Enterprise Group Ltd. activities include the chartering of a number of their own Angling Boats around Lough Swilly. Community Finance was used to develop and install a new portable pontoon, enhancing the access for Sea Faring Vessels to this part of Donegal.

10. VIEWS FROM COMMUNITY AND VOLUNTARY ORGANISATIONS

What one Government action do you believe would best enhance the future of community based entities over the next 5 years?

- A Community Facility Capital Grant scheme similar to the Sports Capital Programme to help centres become modern and suitable for provision of services
- A reduction or zero rate of VAT on capital expenditure for community and voluntary groups
- Community based entities should be exempt from rates, water charges and VAT
- A senior Minister to be appointed to lead a Department in relation to Rural Affairs / Communities
- Allow community and voluntary organisations reclaim VAT
- Introduce an Annual grant based on membership
- Continuation of Sports Capital Programme
- Better public transport in rural areas
- Clear objective criteria for multi-annual funding
- Tax credits for volunteers active over 1 year.
- Support for voluntary board of directors and volunteer community groups as so much is falling on them as the Government is not employing local authority workers
- Streamlining of reporting requirements between CRO, Charities Regulatory Authority and Revenue Commissioners
- Introduce State Insurance Cover
- Remove Ministerial interference in the distribution of grants, and make them on a needs basis. National lottery funds to be distributed by an independent body.
- Multi annual funding for community groups with service agreements with state agencies
- Full implementation of the Charities Act 2009

10. VIEWS FROM COMMUNITY AND VOLUNTARY ORGANISATIONS (CONTINUED)

What one government failure over the last five years do you believe has impacted most negatively on you organisation?

- Cutting of Leader funding & bringing Leader under Local Authority Control
- Austerity measures
- Banks & the financial sector
- Ever increasing bureaucracy
- Cut backs to core funding
- Cuts to Community Employment (CE) schemes & not enough support for CE scheme workers
- Cuts to entire charity sector
- Decision to increase minimum wage and not increase the Community Services Programme (CSP) grant at the same time
- Delay in broadband roll-out
- Failure to receive sufficient funding from the sports capital programme
- Failure to tackle insurance premium increase
- Funding cuts in everything to do with capacity building, employment and development
- Grant cutbacks across the board without due regard to individual agencies
- Introduction of rates on club bars
- Funding from statutory agencies reduced by up to 40% for most groups since 2008

What one government action over the last five years do you believe has impacted most positively on your organisation?

- 9% VAT rate
- Autonomy to Local Authorities to give community grants for local amenities
- Development of the Public Participation Network (PPN)
- Extension of Charitable Donations Scheme to include self-assessed taxpayers
- Free Pre-School places and funding plus support for parents to pay fees through the different schemes
- Increased funding for rural transport
- Recognition as a Charity & having a CHY number
- Wild Atlantic Way and the increase in overseas visitors to Ireland



Colour Run at Craughwell AC, Galway. The largest Juvenile Athletic Club in Ireland accessed Community Finance to match local fundraising in the acquisition, and now development, of their new Athletic Grounds.

COMMUNITY FINANCE IRELAND

Financing Social Enterprise

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*Community Finance (Ireland) is listed as an accredited
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Ulster Community Investment Trust Ltd ("UCIT") is an Industrial & Provident Society (IP No. IP374) and is registered as a charity in Northern Ireland (Charity No. NIC100325).

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NI Small Business Loan Fund LP ("NISBLF LP") is a Limited Partnership (NL000075). It is authorised and regulated by the Financial Conduct Authority and has Interim Permission to perform Consumer Credit Lending (IP No. 665534).

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