

**Reforming grant-giving in public
administration: the *Funding scheme*
to support national organizations in
the voluntary and community sector,
background paper**

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Published by EAPN Ireland and OPEN

April 2012

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Annexe

List of all organizations funded 2003, 2007 and 2011 (separate file)

Terms of reference

EAPN Ireland and OPEN commissioned an analysis of the allocations to the 90 national voluntary organizations funded through the main scheme responsible for such support from 2000 to 2011, called the white paper *Support voluntary activity* scheme for funding national networks and federations. The purpose of the exercise is to:

- Collect the information that is available on the operation of the scheme;
- Analyze the patterns of funding evident;
- Search for underlying patterns of decision-making influencing these allocations.

Detailed analysis of the funding decisions was delayed by a lengthy Freedom of Information procedure and are published in a separate paper *Reforming grant-giving in public administration: the Funding scheme to support national organizations in the voluntary and community sector - a case study*. This paper presents the background.

1 The funding scheme - an overview

There have been three blocks of funding for national voluntary and community organizations:

- The 2000 white paper funding of €2.54m annual funding, approved 2003;
- The 2007 scheme, originally €5.8905m a year but subsequently reduced;
- The 2011 scheme, €3.818m a year, announced 2011.

With the end of the second scheme in 2010, the government gave a commitment to have a new scheme in place for early 2011. In the event, existing funding was rolled over into mid-2011 while a third scheme was prepared. The 2011 *Scheme to support national voluntary and community organizations* was announced in June 2011 and is set to run to 31st December 2013.

2 Background

In 2000, the white paper *Supporting voluntary activity* set down the basis on which the state intended to conduct its relationship with the voluntary and community sector. One of the key decisions was that state support for voluntary activity should be significantly improved and the white paper gave the commitment to provide the following funding annually (the line which concerns us most, *Federations and networks*, is italicized):

National anti-Poverty Networks: €761,842

Federations and networks: €2.54m each year for three years

Voluntary and community sector training and supports: €2.54m each year for three years

Community and voluntary fora in local government: €1.27m

Support for volunteering: €1.27m

Research programme: €507,895. The terms of reference for the research scheme emphasized the importance of research aimed at quantifying the extent of the voluntary and community sector in Ireland.

This bundle comprised a mixture of existing funding lines, like the Combat Poverty Agency funding for national networks, with new lines, together intended as a substantial strengthening of the role of the voluntary and community sector. The new networks and federations scheme was eventually advertised in November 2001 and the training and supports scheme in May 2002. The networks and federations scheme was ready for ministerial approval in May 2002, while the assessment of the training and supports applications had reached an advanced stage and work was advanced on defining a research grants scheme and almost reached the stage of formally inviting proposals. Under the networks and federations scheme, 21 organizations were recommended.¹

A sudden development was the establishment of the new Department of Community, Rural & Gaeltacht Affairs after the general election in June 2002, one of whose purposes was to consolidate a wide range of funding schemes for the voluntary and community sector. In autumn 2002, the new Minister for Community, Rural & Gaeltacht Affairs, Eamon O Cuiv, announced that the networks and federations scheme would be re-advertised, reduced in size and scrutinized by outside consultants. The research funding scheme was deferred and eventually canceled.² The networks and federations scheme was re-advertised in April 2003 and, with the training and supports scheme, submitted for ministerial approval later in 2003. Announcements about the outcomes were made in September 2003. This list included some, but far from all, the 21 organizations in the original 2002 list. In the case of networks and federations, the amount was reduced from €2.54m a year for three years to €1.827m a year for three years. In the case of training and supports, original funding of €2.54m a year was reduced to €690,000 in the first year and €600,000 each in year 2 and 3. Of the €15.74m originally committed, only €7.4m was delivered (47%) and that was late. €8.34m was lost.

This, the first programme ran for the years 2004-7.³ The networks and federations scheme was renewed in 2007, the second scheme running for the years 2008, 2009 and 2010. The department had intended that a third round be in place by January 2011 and had advertised accordingly. In the event, the government was not able to reach a decision in time and the funding of existing beneficiaries was extended on a monthly basis until the end of June 2011. The new, third scheme, was announced, following the change of government in March 2011, by the new Minister for Environment, Community and Local Government in June 2011.

The original 2000 financial envelope shrunk over time. The training and supports scheme was discontinued after one round and the 'national networks' funding was made part of the 'networks and federations' funding. The overall level of support provided in 2011 fell far short of that envisaged in the white paper eleven years earlier.

¹ Information supplied to the white paper implementation group, IAG 11/02.

² The only spending from this allocation was €50,000 allocated to volunteering.

³ Granted that the original funding was for three years, this would cover 2004, 2005 and 2006. It appears that the scheme was extended for a fourth year, 2007, while the second round was prepared, but there is no public record to confirm this.

3 Analysis of funding

The attached table illustrates the funding provided under the ‘networks and federations’ scheme for 2003, 2007 and 2011, the dates set as our anchor points. Table 1 summarizes the basic statistical features of the three schemes and the grants awarded:

Table 1: Main statistical features of funding schemes

Year	Annual amount	No. organizations	Average
2003	€1,826,300	34*	€53,714.05
2007	€5,890,500**	64	€92,039.06
2011	€3,818,000	63	€60,603.17

* The Indecon report records that 34 were recommended, but that only 33 were accepted by the Department. The ministerial press release lists 34, so this remains an anomaly. Indecon: *Report on further advancing key principles of white paper Supporting voluntary activity*. Dublin, author, 2006.

** In the course of budget cuts following the financial collapse, the annual amount was reduced in 2009 (-4%), 2010 (-10%) and 2011 extension (-21%). The total allocation in 2010 was €5,007,355, down -15%. The actual allocations were €5,890,500 (2008), €5,428,684.80 (2009), €5,089,392 (2010) and €1,947,078.24 (2011). Note also that there may be a small number of cases in which the full grant awarded was not used up.

Although there was a total of 161 grants, several were repeat beneficiaries. The total number of *different* organizations in the scheme was 90. The second scheme was the largest of the three in terms of the absolute amount allocated (€5.8m annually), the number of organizations (64) and the average grant (over €92,000). The average grant in the third scheme is much closer to the 2003 average. The number of organizations funded in 2011 is almost the same as the previous scheme (63 compared to 64), but with a smaller amount disposable, this is spread more thinly, reducing the size of the grant.

A prime focus of interest is, of course, who received funding and who did not. Before making such an analysis, a context should be set. Voluntary and community organizations often do not fit in easily into departmental lines of responsibility and it may well be the case that there are trades: voluntary organizations are transferred out from a particular department and advised to apply to another, the receiving department in question having been already asked by the sending department to receive such an application favourably and an informal arrangement reached accordingly. Sometimes they are transferred out involuntarily and seek funding wherever else they can find it (we could call them ‘refugees’). This gives rise to a pattern of what may be termed, for purposes of this discussion, ‘entries’ and ‘exits’.

As noted earlier, the networks and federations funding, while heralded by government as ‘new’ funding, was also a tidying up and consolidation of existing schemes. It became the principal source of medium-term funding and a key to the stability of many organizations. It would be a mistake, though, to consider that the only beneficiaries were the organizations themselves. In modern democracies, policy-making benefits considerably from the information, advice and insights offered by voluntary organiza-

tions about the situations of their clients. Such benefits are rarely formally computed, but they are nonetheless real. Public administration benefits from such a contribution: conversely, uninformed decisions may lead to policy failure and have adverse consequences. Governments concerned with and valuing the stability of delivery of key services by the voluntary and community sector will provide a relatively stable funding environment, providing of course that those organizations continue to perform and deliver. Most value secure, predictable environments in which they work with civil society, which includes core funding the main sectors involved in civil dialogue.⁴ The key question therefore arises as to how many organizations received funding across the key schemes and this is addressed in table 2:

Table 2: organizations receiving repeat funding across schemes

Characteristic	Number
Receiving funding in 2003, 2007 and 2011	18
Receiving funding in 2003 and 2007 only	6
Receiving funding in 2007 and 2011 only	26
Receiving funding in 2003 only	9
Receiving funding in 2007 only	13
Receiving funding in 2011 only	18

N=90

If we try to establish a stability rate for networks and federations as a fund, we find that 20% of organizations received funding for each of the three funding periods and for them it was a source of stable funding. We find that 35% of organizations received funding for two of the three periods, making it a source of what might be termed 'partially stable' funding. For the rest, 45%, it was a source of funding for only one three-year period, not a secure source of medium-term funding. There is a degree to which this programme came to serve as core funding for some organizations. It was never the purpose of the scheme to be 'the' core funding programme for voluntary and community organizations: it was intended to provide important, additional supports to organizations that presumably already had core funding in their 'parent' department. Because of changed departmental configurations and the reduction of funding opportunities after 2008, organizations came to be more reliant on the scheme as a core funding instrument.

⁴ Grant, Wyn: *Pressure groups and British politics*. McMillan, 2000, Basingstoke and New York, 2nd edition.

The term 'stability', used here in the technical sense, is a problematic one, because for voluntary and community groups, the organization of the funding was far from stable. There were three changes of department during the period and the handover periods from one funding scheme to another were far from seamless, being characterized by delays and uncertainty.

Next, if we look at the swath or spread of funding, some interesting features emerge. As may be expected, each funding period had a minima and maxima, as detailed in table 3.

Table 3: Spread of funding

Year	Minima	Maxima
2003	€30,000	€87,500
2007	€25,000	€239,000
2011	€20,000	€100,000

The swath is much the largest in the second programme, with the biggest recipient getting a grant 9.56 times larger than the smallest. The lowest spread is in the first programme, 2.91, followed by the third programme, 5. Departmental thinking was that in the first programme the range should be between €30,000 and €130,000, so the first was adhered to but not the upper point, possibly due to the high level of interest.⁵ The second programme saw an off-scale high grant of €239,000 to Muintir na Tire, accompanied by a small number of grants heading up to the €200,000 mark.

Most grants, though, are bunched in a series of bands and this may be observed in table 4. It is routine in government grant-aid to provide a number of grants in the same class, presumably with a view to reducing competitiveness between organizations and prevent questions being raised about relatively minor differences in funding allocated. The 2011 scheme was unusual in that the review which preceded it recommended banding: up to €50,000 for smaller organizations with no consistent income source and up to €120,000 for large organizations with an established national presence and consistent funding from a variety of sources. Table 4 illustrates banding in the funding programme whenever four grants or more are of the same value.

⁵ Goodbody Economic Consultants: *Assessment of applications for funding to support federations, networks and umbrella bodies*. Dublin, author, 2003.

Table 4: Banding in the funding programmes

Year	Bands
2003	11 grants of €47,000
2007	5 grants of €106,000 6 grants €93,000 19 grants of €53,000
2011	7 grants of €100,000 6 grants of €90,000 6 grants of €75,000 9 grants of €50,000 6 grants of €45,000 5 grants of €40,000

In the event, the third programme, the most banded and structured of the three, had six bands and much clearer hierarchies of levels of support. Turning to the organizations funded, we can categorize those who benefitted most under two categories: those who received the most stable funding and those who received the most funding. As identified by table 2, 18 organizations received funding in each of the three funding periods, our base line and these are matched against total funding over the full three years.

Table 5: Main beneficiaries, by rank

Rank	3-year beneficiaries	Rank	Overall beneficiaries
1	€371,000 Muintir na Tire	1	€371,000 Muintir na Tire
2	€367,000 Simon	2	€367,000 Simon
3	€354,000 INOU	3	€354,000 INOU
4	€306,000 FLAC	4=	€306,000 FLAC
4=	€306,000 IASE	4=	€306,000 IASE
6	€287,000 Wheel	6	€287,000 Wheel
7	€273,000 Irish Autism Alliance	7=	€286,000 Children's Rights Alliance
8	€268,500 Irish Deaf Society	7=	€286,000 OPEN
9	€256,000 Rape Crisis Centres	9	€273,000 Autism Assn
10	€228,000 Caring for Carers	10	€268,500 Irish Deaf Society
11=	€209,000 Dyslexia Assn	11	€260,000 Irish Rural Link
11=	€209,000 Breaking Through	12	€256,000 Rape Crisis Centre Network
13	€203,000 Active Retirement	13	€253,000 Irish Traveller Movement
14	€175,000 Neurological Alliance	14	€233,000 Children in Hospital
15	€124,000 Irish Cncl Social Housing	15	€228,000 Caring for Carers
16=	€140,000 NABCO	16	€209,000 Dyslexia Assn
16=	€140,000 Nat'l Collective Women	17	€209,000 Breaking Through
16=	€140,000 Nat'l Traveller Women	18	€207,000 One Family

As may be seen, the top beneficiary of the programme is Muintir na Tire, followed by Simon, the INOU, FLAC and the Irish Association for Supported Employment, all over €300,000. The list of the top 18 3-year beneficiaries includes three organizations with much lower levels of funding, €140,000 (NABCO, the National Collective of Women's Networks and the National Traveller Women's Forum), but three years of funding, even at a lower level, is much prized. If we look at the list of overall beneficiaries, it is identical down to seventh place, where a number of organizations make good their absence from the first round by attracting substantial resources in the second and third, starting with the Children's Rights Alliance and pushing some of the top 18 3-year beneficiaries into lower rankings.

The issue of subscription is an important one, over-subscription being the term used to describe the degree to which the grant request exceeds the grant available. It is an indicator of need and, conversely the level of subsequent unmet funding need. In the original round, which was negated, there were 89 applications, of which 21 were approved (over-subscription rate of 423%). In the 2003 round, which was approved, there were 134 applications, of which 34 were accepted (rate: 394%). Of the 100 rejected, 73 were rejected definitively and 27 were recommended for future possible funding if more resources became available. In 2008, there were 126 applications, of which 64 were approved (over-subscription rate: 197%). In 2011, there were 149 applications (over-subscription rate: 236%).

If we look at the individual organizations which received money, interpreting patterns is a risky exercise, for we do not know:

- The nature of the application made;
- The quality of application;
- Informal determinants in the department's mind;
- The nature and level of any political interventions in the decisions made;
- Issues of exits and entries from the programme.

The programme comprises a cross-section of the Irish voluntary and community sector, reflecting organizations in the field of health, disability, work with women, housing and homelessness, children, youth, rural development, new communities and migrants, community development and generic voluntary sector development. In the absence of detailed information on the particular circumstances of entries and exits, it is difficult to make any generalized observations on patterns of who received funding and who does not, but the 2011 allocation raises a number of puzzling questions, such as:

- A number of entries of organizations where there were an arguably still are, defined funding schemes already in existence, (e.g. National Youth Council, Football Association of Ireland, Youth Drama).
- A number of exits of some high-profile organizations for which there is not any obviously readily available alternative national statutory funding, notably the National Women's Council, Irish Rural Link, Irish Senior Citizens Parliament, Migrant Rights Centre, National Association of Travellers Centres and Older Women's Network and AkiDwa.

Table 6 lists the entries and exits to the 2011 round:

Table 6: 2011 entries and exits

Entries	Exits
Acquired Brain Injury Peter Bradley Aspire Centre for Independent Living Football Assn Ireland Foroige Genetic and Rare Disorders GROW Irish Heart Foundation Irish Motor Neurone Disease Assn Irish Nat'l Community & Voluntary Forum Muscular Dystrophy Ireland Nat'l Assn Youth Drama Nat'l Assn Spina Bifida Hydrocephalus Nat'l Youth Council of Ireland Open Heart House Show Racism the Red Card Asthma Society Carers Assn	Accord Camphill Irish Rural Link National Federation of Voluntary Bodies National Women's Council of Ireland Voluntary Drug Treatment Network AkiDwa Cheshire Ireland Coeliac Society Community Workers Cooperative Irish Countrywomen's Association Irish Senior Citizens Parliament Medical Charities Research Group Migrant Rights Centre Ireland Special Olympics Suas National Association Travellers Centres Older Women's Network Unmarried Fathers Ireland

Next, we look at the sectors supported to determine whether there is a movement of support for different parts of the voluntary and community sector. Table 7 shows the percentages of organizations supported by sector of the period of the three funding programmes. This table is based on the number of individual organizations funded, not the amounts allocated. Allocating voluntary organizations to particular sectors is a hazardous task, as some could belong to a number, a key determinant being the line of normal government responsibility.

Table 7: Supports for different sector within the funding programmes

Sector	2003	2007	2011
Health and disability	47%	42%	51%
Promotion of voluntary sector	3%	5%	6%
Development	3%	2%	
Legal & social action	6%	5%	5%
Housing & homelessness	9%	5%	5%
Rural development	3%	2%	
Community development	3%	3%	2%
Travellers and minorities	3%	18%	5%
Organizations working with women, men	9%	14%	10%
Children and youth	6%	5%	10%
Older people	3%	6%	4%
Sports		3%	5%
Others	6%		

Figures rounded and may not reach 100%

The most striking feature arising from this table is its dominance by health and disability-related organizations (42% to 51%). Far behind, the most consistent strong performer is gender-related organizations. The large 2007 round permitted a significant expansion of funding for organizations working with Travellers and minorities, but this was lost in 2011; and for more organizations in individual sectors. Apart from that, most other sectors are in the 3% to 6% range (numbers here are very low, so too much significance should not be attributed to movements at this level). Development organizations and rural development disappeared as funded sectors. Sectors attracting rising funding have been sports, children and youth. Two have been remarkably consistent: housing and homelessness; and legal and social action.

The dominance of health-based organizations is interesting, for which there may be two explanations. First, there has been a significant growth in specialized often diagnostic-related disorder organizations, which have sought funding from this scheme. Their emergence may, in turn, reflect the failure of the health services to respond adequately to these needs, obliging patients to organize themselves into voluntary organizations to press for the services required. Second, it may reflect the reluctance of the Department of Health to provide core-funding for voluntary organizations.

From the 1980s, the department sought to divest itself of its core funding role and the 1994 white paper *Shaping a healthier future* announced that ‘the direct funding of ... voluntary agencies impedes the proper coordination and development of services’ (p33). Whatever the merits of this idiorhythmic position, this decision created a substantial class of ‘refugee’ organizations and ruled out new organizations from applying to the Department of Health. By contrast, other departments accepted that they had a core funding role, schemes being devised for this purpose in departments responsible for development, youth and sports. Even in the non-health categories listed above, several arguably fall within the health remit (for example, older people, where a minister of state in the department is responsible; and children, where its title had been changed to ‘Health and Children’). The ‘federations and networks’ funding may therefore reflect, more than anything else, the success of the Department of Health in divesting itself of core-funding for voluntary organizations, sending them as ‘refugees’ to this scheme.

This brings us on to the criteria used to determine allocations. We have information on the criteria used for assessing applications (table 8).

Table 8: Criteria used for assessing applications

2007 criteria	%	2011 criteria	%
Focus on disadvantage	25%	Focus on disadvantage	20%
Extent of existing funding	25%	Level of added value	20%
Deliverables and impact	20%	Deliverables and impact	25%
Track record	15%	Viability, VFM, governance	20%
Value for money (VFM)	15%	Cooperation, integration, consolidation with others	15%

Source: Department of the Environment, Community and Local Government

Two criteria are constant: disadvantage; and deliverables and impact. The 2011 scheme introduced added value, viability and governance, cooperation, integration and consolidation, though precisely how these were assessed is unknown and we do not know if background papers were made available to guide the assessors in such a demanding examination. What is perhaps most interesting is that ‘existing funding’ is no longer a criterion, which implies that lack of funding from other sources should not be a reason to discontinue funding (with the likely outcome that the organization will be obliged to close).

In advance of the 2011 allocations, the Department of Community, Equality and Gael-tacht Affairs carried out a review (*Review of the scheme to support national organizations*) and this sheds some light on departmental thinking. According to the review, the 2008 allocations gave priority to organizations providing coalface services, although how

'coalface' was defined or matched with criteria listed in table 7 is unclear. The review made a number of interesting observations:

- Measuring the impact of core funding and appraising outputs was found to be difficult, sentiments with which most students of the sector would surely agree;
- Governance controls within organizations were uneven; and there was a risk that funding was going to 'unnecessary or excessive costs', especially salaries. It would have been useful to see the information substantiating these points. This is interesting, because the 2008 scheme had already set salary limits;⁶
- In the department's view, the 2008 scheme comprised both groups providing coalface services to disadvantaged groups and umbrella or network bodies which engaged with state bodies especially in policy formulation, the latter described as a 'legacy' of the earlier funding for anti-poverty networks.
- The review acknowledged the role of NGOs in designing innovative social programmes, proposing solutions to social problems and play an important role in the policy process, but 'greater clarity was required regarding the department's expectations in funding policy development' - though it did not state from whom that clarity might be forthcoming;
- The deterioration in the economy meant that there should be a greater focus on services at the coalface and priority should be given to national organizations engaged in service delivery.

The last statement, while at one level axiomatic, could also be challenged, for there is a counter-argument that at time of economic crisis, the policy contribution of voluntary and community organizations is even more important.

4 Conclusions

At this stage, we can come to the following conclusions:

- There were 161 grants in the three scheme, with 90 different beneficiaries.
- The second scheme was the largest of the three, both in terms of the absolute amount allocated (€5.8m annually), the number of organizations (64) and the average grant (over €92,000). The average grant in the third scheme is much closer to the 2003 average. The number of organizations funded in 2011 is almost the same as the previous scheme (63 compared to 64), but with a smaller amount disposable, this is spread more thinly, reducing the size of the grant.
- 20% of organizations received funding for each of the three funding periods; 35% of organizations for two of the three periods and 45% for only one three-year period;
- The spread or swath of funding (the difference between the highest and lowest grant), ranged from 9.56 in the second programme, the largest, to 2.91 in the first programme and 5 in the third;
- There is evidence of banding in the programme, with one main band in the first, three in the second and six in the third;

⁶ These were, for CEOs, €60,000; managers, €45,000; development staff, €40,000; and clerical administrative, €40,000.

- The main beneficiaries of the schemes were Muintir na Tire, followed by Simon, the INOU, FLAC and the Irish Association for Supported Employment, all over €300,000. Generally, those who received the most stable funding also received the most funding. Muintir na Tire received an off-scale high grant in the second year and was the overall 'winner';
- The oversubscription rate for the cancelled round was 493% and the oversubscription rate for the first round was 394%. Subsequent rates were 197% (2007) and 236% (2011). These are important, indicating substantial unmet need.
- The 2011 round comprises puzzling entries and exits. There are many reasons why organizations may enter and exit funding schemes, the first of which may be shifting responsibilities within government departments and subsequent administrative and funding reorganizations. Nevertheless, 2011 entries include arrivals for whom funding should be available from parent departments elsewhere. 2011 exits include many organizations with no obvious alternate source of core funding.
- Funding is dominated by health organizations (42% to 51%), which may have roots in the government decision, *Shaping a healthier future*, to discontinue departmental funding of health organizations. This may have had a long-term effect in making funding for voluntary organizations much more competitive. Had such a decision not been taken, the networks and federations funding scheme would have an entirely different look.
- The shift toward 'coalface' organizations is a potentially important shift in state's view of the role of voluntary and community organizations, implying a much less important role in policy, advocacy and public administration. Intriguingly, it contrasted with a contrary statement by the then prime minister of Slovakia, Iveta Radičová, affirming the latter role, for she stated that the primary driver of policy in the modern state should be civil society. Do the developments in Ireland reviewed here indicate another case of the exceptionalism of Irish social policy?