



DISABILITY FEDERATION OF IRELAND

**A Research Report Examining the
Impact of the Economic Downturn on
Voluntary Disability Organisations in
Ireland**

September 2010

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EXECUTIVE SUMMARY

Background Information

Given the extent of services provided by voluntary disability organisations to people with disabilities, DFI wanted to examine the impact that the economic downturn was having on member organisations. In particular, DFI needed more information on how voluntary disability organisations are funded generally and the impact that funding cuts are having on these organisations and their service users or members. This information will help in better supporting our members in the future.

Research Aims and Objectives

The central research question is to examine the impact of the recession on funding for voluntary disability organisation and in particular among small to medium organisations.

A number of sub-questions were identified in order to fully address the central question and to structure the report. These are:

1. To examine the demographic and organisational profile of DFI members
2. To provide an overview of funding for voluntary disability organisations
3. To examine the extent of funding cuts among DFI members in 2009
4. To identify what impact, if any, the recession is having on DFI members and their ability to provide services to people with disabilities
5. To identify new opportunities that have arisen as a result of the recession

The Profile of the DFI Membership

- Overall, 69 out of 120 organisations responded to the survey. This represents a 58% response rate and is a meaningful representation of the DFI membership
- DFI member organisations are varied, representing a large number of disabilities and providing multiple health and social related services to people with disabilities.
- The majority of respondents (69%) had between 0-5 or 6-25 staff.
- 58 members answered questions in relation to their funding and their total combined income in 2008 was over €400 million with €341 million raised through statutory funding and a further €68 million coming from non-statutory sources such as fundraising
- Over half of the total income for organisations with between 0-25 staff is raised through non-statutory sources such as membership fees and fundraising
- This is compared to larger organisations who raised 12% through non-statutory sources or €46 million
- Eight out of ten members received some statutory money from the HSE

Funding Cuts among Voluntary Disability Organisations

- Over three quarters (77% n=52) of organisations reported that they have been very significantly or significantly effected by the economic downturn

- Nearly three quarters (76% n=51) indicated that their total income had decreased in 2009 compared to the previous year
- Eight out of ten organisation funded by the HSE were affected by the 3% efficiency savings in 2009
- Non-statutory sources of funding were also affected by the economic downturn in 2009
 - 86% stated that their fundraised income was down
 - 77% said that their earned income had decreased
 - 85% reported a reduction in philanthropy income
 - 95% agreed that their corporate sponsorship had decreased last year
- At the same time 71% (n=47) of organisations reported that their efforts to bring in income had increased in 2009 compared to the previous year. This was mainly because people have 'less to give' in the current economic climate while corporate sponsorships have run dry. Furthermore, organisations had to chase scarce resources and compete against each other causing an increasing level of administration and competition for the same resources.
- A total of 75% of organisations also reported that the demand for their organisations service had increased in 2009

Impact of the Economic Downturn on Voluntary Disability Organisations

- Organisations have had to introduce a number of measures in order to implement the funding cuts
- The development of existing and additional services has been significantly affected
- Two thirds of members reported that they had to freeze the development of existing services in 2009
- 51% stated that they had to hold off delivering new service programmes because of funding uncertainties.
- 58% reported that they had to delay plans to invest in capital programmes
- Where relevant 10 out of 14 organisations had to absorb emergency respite places using existing funding
- Staff measures were also introduced as a result of the economic downturn and it was acknowledged that this can have a negative impact on services
- Of respondents,
 - a total of 81% of respondents had to restrict staff travel
 - A further 60% did not replace staff who left
 - 62% restricted agency staff where relevant
 - Over a third (36%) reduced staff hours
- Approximately half of respondents said that they would have to reduce their level of service if they were hit with additional cuts to funding

Opportunities Arising from the Economic Downturn

- Respondents were generally open to explore opportunities for collaboration and cost saving measures
- The economic downturn has provided new opportunities to reduce the overall costs to the organisation however further evidence shows that additional funding cuts will negatively impact on service levels

Recommendations

1. DFI should continue to lobby key stakeholders to ensure the added value of voluntary disability organisation is recognised. In particular there needs to be a clearer understanding and recognition of the extent to which voluntary disability organisation raise non-statutory income to deliver services to people with disabilities and to top up government funding.
2. Particular actions need to be implemented around supporting DFI members to create public awareness about the added value they bring to the Sector
3. DFI should consider how the findings with regard to funding could be used and developed to be fed into the Value Money Review of Disability Services being conducted by the Department of Health and Children in 2010
4. Continue to role out the DFI Annual Plan 2010 and future Plans to support the larger number of organisations who have to sign a Service Level Agreement and Grant Aid Agreement with the HSE.
5. Furthermore, DFI should continue to review and reflect on the needs of member organisations arising from the Grant Aid and Service Level Agreements with the HSE and react accordingly
6. Additional research is required in order to examine the meaning of 'significant impact' and identify needs arising from this
7. The findings revealed that organisations require practical support and advice on funding opportunities in times of recession. This is particularly evident in light of cuts to statutory and non-statutory sources of income.
8. Voluntary Disability Organisation require support to question whether the same level of funding is necessary and review if services could be provided through collaborative working with another service provider and in some instances, mainstream service provision.
9. Continue ongoing work with DFI members to collaborate in the future
10. Consider the possibility of conducting a needs analysis of DFI membership to examine further how they should be supported through the recession
11. DFI will continue to work with our members to evaluate the impact of funding cuts on services to people with disabilities
12. There is a reasonable expectation that DFI members will require ongoing support with regard to implementing pay cuts and redundancies in 2010 and in the future. Actions outlined in the DFI Annual Plan should support the members through this process.

SECTION ONE

Introduction

1.1 Background Information

Disability Federation Ireland (DFI) is the national support organisation and advocate for voluntary disability organisations in Ireland that provide services to people with a disability and/or disabling conditions. DFI works with its members to ensure that Irish society is fully inclusive of people with disabilities and disabling conditions so that they can exercise fully their civil, social and human rights.

Voluntary disability organisations continue to provide much needed advice, support, advocacy and direct health and personal social services for people with disabilities. While these services are funded and delivered on behalf of the State, they are more often than not subsidised by income generated by voluntary disability organisations. There is little public awareness of the extent to which organisations generate non-statutory sources of income such as fundraising to provide core services such as consultancy and nursing posts, personal assistant and home help hours, day services, respite and family support workers to name just a few.

Given the extent of services provided by voluntary disability organisations to people with disabilities, DFI wanted to examine the impact that the economic downturn was having on member organisations. In particular, DFI needed more information on how voluntary disability organisations are funded generally and the impact that funding cuts are having on these organisations and their service users or members. This information will help in better supporting our members in the future.

1.2 Aims of the Research

The central research question is to examine the impact of the recession on funding for voluntary disability organisation and in particular among small to medium organisations.

A number of sub-questions were identified in order to fully address the central question. These are:

1. To examine the demographic and organisational profile of DFI members
2. To provide an overview of funding for voluntary disability organisations
3. To examine the extent of funding cuts among DFI members in 2009
4. To identify what impact, if any, the recession is having on DFI members and their ability to provide services to people with disabilities
5. To identify new opportunities that have arisen as a result of the recession

1.3 Research Methodology

It was decided that a quantitative survey would be employed to collect the data and that this could be followed up by qualitative interviews if required. This report summarises the quantitative aspect of the research.

A questionnaire was drawn up by the researcher and distributed to all DFI member organisations on 13 July 2009. A number of methods were used to ensure that a high response rate was achieved. All members received a paper copy of the questionnaire in the post along with a link to 'survey monkey'¹ for those that preferred to fill the questionnaire on-line. This was followed up by a reminder e-mail on the 3rd August urging members to participate in the study. In the later stages of the research, organisations who had not responded to the research were targeted and given the opportunity to fill out the questionnaire over the phone. These telephone interviews were conducted by the researcher to ensure that bias was avoided. The survey was closed in September 2009.

Overall, 69 out of 120 organisations responded to the survey. This represents a 58% response rate and is a meaningful representation of the DFI membership. A total of 36 organisations sent the questionnaire back by post, 22 filled it out on-line and a further 11 did it over the phone with the researcher. The questionnaire was filled out by the CEO, Chair or senior manager of the organisation. There was one response per organisation.

The data gathered was transferred into the statistical package SPSS and analysed using the software. While SPSS was useful for the purpose of this survey, limitations were encountered when conducting multivariate analysis. This was due to the small sample size, making it difficult to make statistically significant correlations.

1.4 Outline of the Report

Section One of this report has outlined the background to the research. It has also included information on the research aims and objectives, as well as the methodology and structure of the report.

Section Two examines the profile of the DFI members who participated in this study. Information was gathered on the type of disability organisation, as well as the size of the organisation, and their main activities. Data was also analysed in relation to the total income of the organisation along with their sources of funding.

Section Three looks at the extent to which DFI members have been affected by the recession and what impact this has had on the income of the organisation. Specific cuts to statutory and non-statutory funding are outlined. The findings further examine the extent the organisation has had to raise their efforts to meet their funding requirements and the level of demand for their service during the economic downturn.

Section Four outlines the impact of the economic downturn on voluntary disability services in 2009. Organisations report how they have implemented funding cuts to-

¹ Survey Monkey is a web based survey tool www.surveymonkey.ie

date and the extent to which services have been affected. Finally, the impact that additional cuts would have on services to people with disabilities is explored.

Section Five outlines new opportunities that have arisen as a result of the economic downturn. The respondents' openness to collaboration is discussed in relation to sharing administration and back office functions as well as direct service provision.

Section Six provides an overview of the main findings of the report and outlines recommendations going forward.

SECTION TWO

A Profile of DFI Membership

2.1 Introduction

Section Two examines the profile of the DFI members who participated in this study. Information was gathered on the type of disability organisation, as well as the size of the organisation, and their main activities. Data was also gathered in relation to the total income of the organisation along with their sources of funding.

2.2 Profile of Respondents

The survey revealed that DFI member organisations represent people with one or more disability. It demonstrates the range of disabilities that DFI member organisations represent including physical, sensory, intellectual, neurological and mental health. Overall, respondents reported service users as those with physical disabilities (64%), followed by sensory disabilities (54%) and people with intellectual disabilities (36%). Over one third of organisations who completed the survey had clients with neurological conditions (36%), while over a quarter represented those with mental ill health (27%).

Table 1 Type of Disability Organisations Represent

Type of Disability	Responses	
	N	Percentage of Cases
Physical disability	44	64%
Sensory disability	37	54%
Intellectual disability	25	36%
Mental ill health	19	27%
Neurological conditions	25	36%
Other	9	13%
Total	159	100%

2.3 Organisation Activities

Table 2 overleaf demonstrates the range of services that DFI member organisations provide to their members and service users. Two thirds of organisations reported that they undertook some form of advocacy work on behalf of their service users and members. Over half stated that they provided a helpline or telephone support, training for disabled people, a newsletter as well information on websites.

Organisations also provided other essential services to people with disabilities, including aids and appliances, day and respite services, personal assistances hours, and funding for medical positions such as social workers, occupational therapists and consultants in hospitals to name a few.

Table 2 Activities of Organisation

Organisation Activities	Responses	
	N	Percentage of Cases
Aids and Appliances	12	18%
Respite care services	21	31%
Helpline/telephone support	36	54%
Family support worker	18	27%
Personal Assistance hours	19	28%
Assessments	13	19%
Training and support	35	52%
Day care services	13	19%
Newsletter	39	58%
Advocacy work	45	67%
Accommodation and residential services	16	24%
Information on websites	35	52%
Support groups	32	48%
Other	32	46%

2.4 Size of Organisation

For the purposes of this survey the size of the organisation was measured by the number of whole time equivalent paid staff (including for instance FÁS, CE or Rural Social Scheme, etc. workers) employed.

DFI member organisations vary in size from those that have no staff and are managed by a voluntary board to larger organisations that employ over 1,000 staff. The majority of respondents tended to be in the small (0-5 staff) to medium (6-25 staff) size category however.

Table 3 Size of Organisation

Type of Disability	Responses	
	N	Percentage
Small (0-5 staff)	22	33%
Medium (6-25 staff)	24	36%
Large (26+ staff)	21	31%
Total	67	100%

2.5 Organisation Total Income 2008

A total of 58 organisations answered the questions in relation to their income. Of these, their total combined income for 2008 was over €400 million (Chart 1 overleaf) with €341 million raised through statutory funding and a further €68 million from non-statutory sources such as fundraising. Taken as a proportion of the total this represents 83% and 17% respectively. This demonstrates the extent of services

voluntary disability organisations provide on behalf of the State and the amount of resources they provide to top up Government funding.

Chart 1 Organisation Income 2008

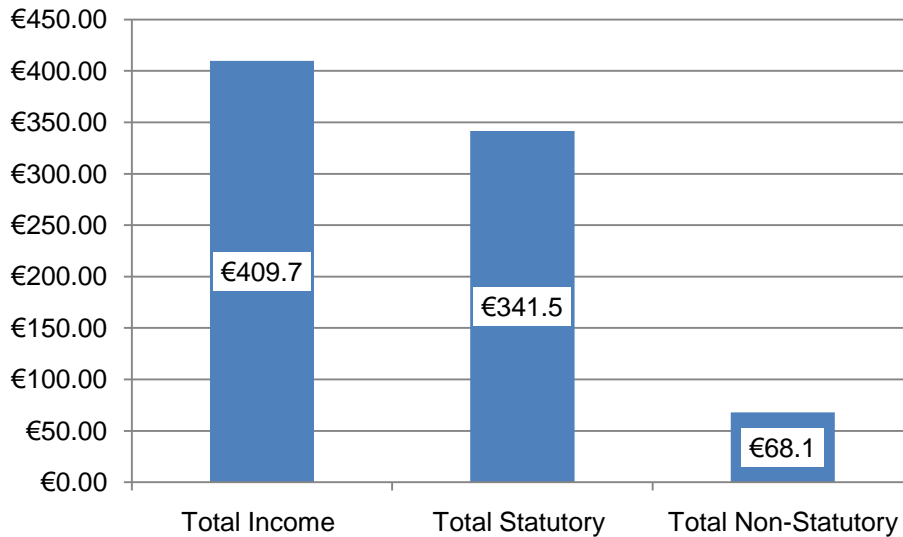
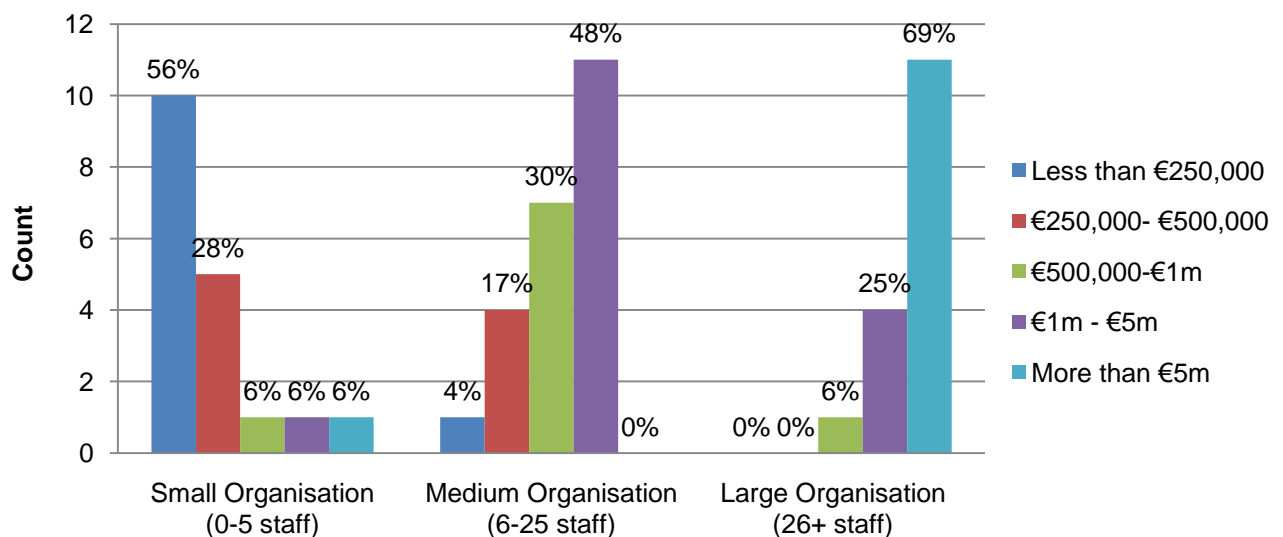


Chart 2 below demonstrates the proportion of total income according to the size of the voluntary disability organisations. Not surprisingly over half of small organisations (56% n=10) reported a total income of less than €250,000, compared to large organisations, the majority (69% n=11) of who reported funding of more than €5 million

Chart 2 Total Income by Size

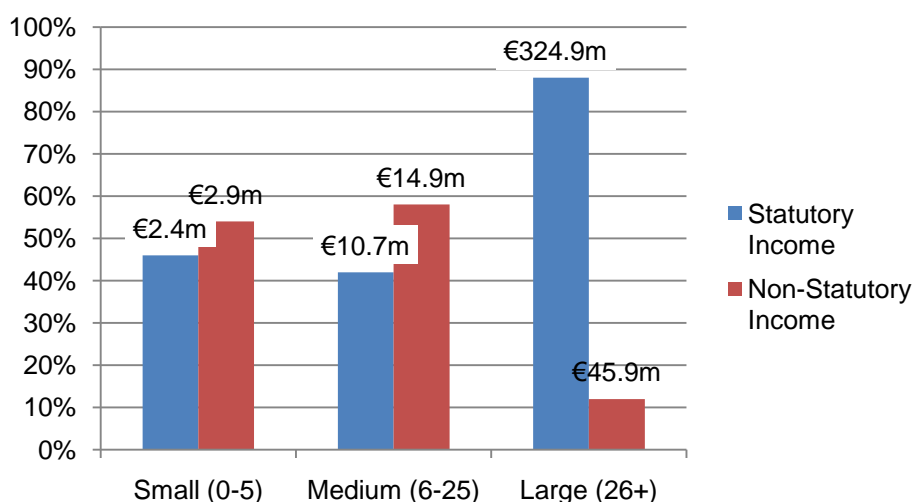


2.6 Organisation Non-Statutory Income and Statutory Income 2008

Chart 3 overleaf demonstrates the statutory and non-statutory income as a proportion of the total income by the size of the organisation. It is interesting to note that over half of the income for small and medium sized organisations is raised through non-statutory sources such as membership fees and fundraising.

Overall, organisations that employ up to five staff members raised €2.9 million themselves with an additional €2.4 million coming from statutory sources. Medium sized organisations with between 6 to 25 staff members had a total income of €25.6 million, of which 58% (€14.9m) was raised through non-statutory means. Not surprisingly large organisations (26+staff) received the highest proportion of income from statutory sources. Over €300m was provided to them to provide services on behalf of the State. It is also noteworthy that this income was topped up by nearly €46m raised through fundraising, membership fees and other non-statutory means.

Chart 3 Statutory and Non-Statutory Income as a Proportion of Total Income by Size



2.7 Sources of Income

The vast majority of organisations receive their statutory income from the HSE with 48 respondents (80%) indicating they get some funding from this source. Over a third (37%) reported that FAS provide them with funding, while other sources included Pobal (16 or 27%), CRAGA (13 or 22%) and the Local Authorities (10 or 17%). Where organisation size is taken into account the main difference is that 100% of larger organisations get funding from the HSE and a higher proportion (60% or 12) received funding from FAS. The full list is found in Table 4 below.

Table 4 Organisation Total Income Category

Sources of Statutory Income	Responses	
	N	Percentage of Cases
HSE	48	80%
FAS	22	37%
Pobal	16	27%
Department of Community, Rural and Gaeltacht Affairs	13	22%
Local Authority	10	17%

Department of Social and Family Affairs	9	15%
Citizens Information Centre	4	7%
Department of Education and Science	3	5%
EU Funded Projects	2	3%
Department of Environment	2	3%
Partnership Companies	1	2%
Other Statutory Agencies	7	12%

2.8 Conclusion

The findings have shown the diversity of the DFI membership in relation to the disabilities they represent. Organisations provide a wide range of services to support people with disabilities. These include core health services such as the provision of doctors, nurses, social workers, occupational therapists, aids and appliances, as well as other support services such as day and respite, family support work and information and advice. The majority of DFI members who responded to the survey had been 0-25 staff (69%). In 2008, DFI respondents reported a total income of over €400 million with €341 million raised through statutory funding and a further €68 million from non-statutory sources such as fundraising. It is interesting to note that over half of the total income for organisation with between 0-25 staff is raised through non-statutory sources. A total of 80% of organisations received some income from the HSE.

SECTION THREE

Funding Cuts among Voluntary Disability Organisations

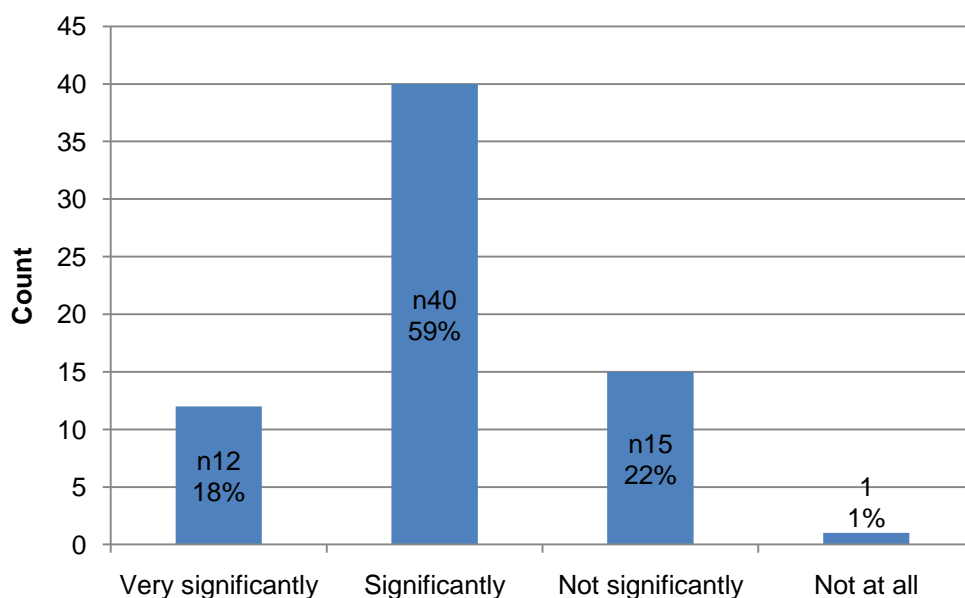
3.1 Introduction

Section Three looks at the extent to which DFI members have been affected by the recession and what impact this has had on the income of the organisation. Specific cuts to statutory and non-statutory funding are outlined. The findings further examine the extent the organisation has had to raise their efforts to meet their funding requirements and the level of demand for their service during the economic downturn.

3.2 Extent of Impact for Voluntary Disability Organisations

Organisations were asked to indicate the extent to which they had been affected by the economic downturn in 2009. Over three quarters (77% n=52) of DFI members stated that they had either been very significantly or significantly affected by the economic downturn. A further 22% said that they were not significantly affected while just one organisation reported 'not at all'.

Chart 4 Extent of the Impact of Economic Downturn for DFI Members

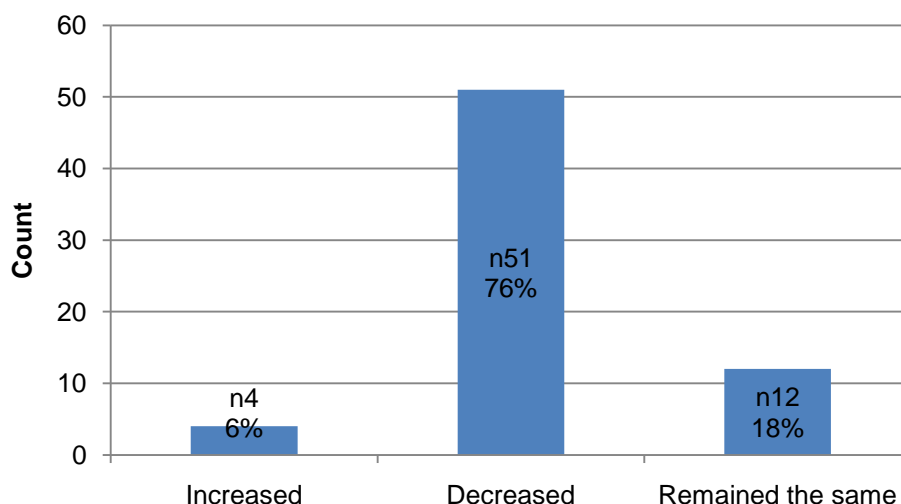


3.3 Impact of Downturn on Organisation Income

Nearly three quarters of organisations (76% n=51) indicated that their total income had decreased in 2009 compared to the previous year. Just 6% (n=4) said that it had

increased while a further 18% (n=12) reported that their total income had remained the same.

Chart 5 Extent Organisation Income has Increased, Decreased or Remained the same in 2009 compared to 2008



3.4 Impact of Economic Downturn on Organisation Statutory Income 2009

Respondents were asked whether their organisation had to absorb specific cuts to their statutory funding. Eight out of ten organisations funded by the HSE were affected by the 3% efficiency savings, while a further third of those funded by CRAGA were forced to absorb an 8% cut to their funding. Just under half of organisations reported a reduction in the end of year adjustment.

Table 5 Has your organisation experienced the following cuts to funding in 2009?

Statutory Funding Cuts 2009	YES		NO	
	Frequency	Percent	Frequency	Percent
HSE 3% Efficiency Savings	42	81%	10	19%
8% CRAGA Efficiency Adjustment	9	33%	18	67%
Reductions in the end of year adjustment 2008	13	45%	16	55%

DFI members were given the opportunity to outline further cuts to statutory funding they had to implement in 2009. It was clear from their responses that smaller charities reliant on funding from larger organisations were indirectly affected by the funding cuts.

“We usually get funding from Irish Aid through the Civil Society Fund. You used to be able to apply for this three times a year however no calls have been made this year as a result of cuts to funding”

“We are supported by (not for profit organisation) who now get less funds from the HSE. We are indirectly affected”

A number of disability organisations rely on the Department of Education and Science to role out education programmes for children and adults with special education needs. These organisations reported significant cuts to their funding.

“The main difficulty is that the Dept Education funding has decreased by 17% for people with disabilities”

“We have been notified of a 4% cut to funding we receive from the Further Education Section of the Department of Education and Science for our adult services. We have no news yet as to whether we are to receive our main grant from the Special Education Section of the Department of Education and Science and what cuts we may receive”

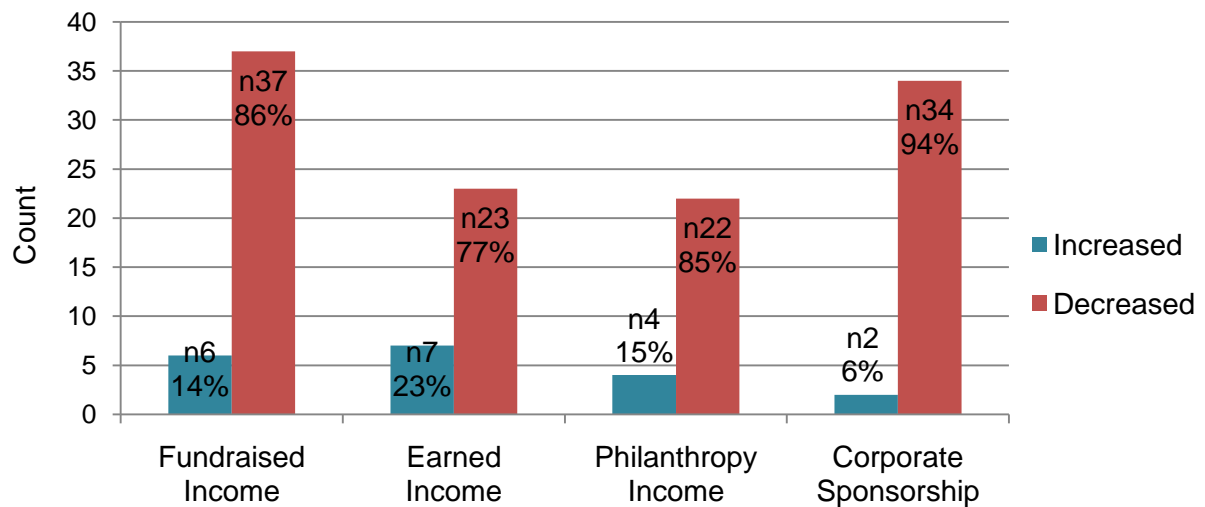
The response above also indicates the uncertainty faced by organisations in anticipating further cuts. Some funding streams were delayed impacting negatively on DFI members reliant on funding such as HSE National Lottery Grants or funding from the Local Authorities.

“Dublin City Council have delayed their funding- we used to get it automatically but now we have to ring them regularly to get it and it comes about 2 months late”

3.5 Impact of Economic Downturn on Organisation Non-Statutory Funding

In 2009, voluntary disability organisations reported a significant decrease in the level of non-statutory funding. A total of 86% of respondents stated that income generated through fundraising decreased, 77% reported a decrease in earned income, 85% reported a reduction in philanthropy income and a total of 95% said that their corporate sponsorship had decreased in 2009 compared to the previous year.

Chart 6 Impact of the Economic Downturn on Non-Statutory Funding Sources

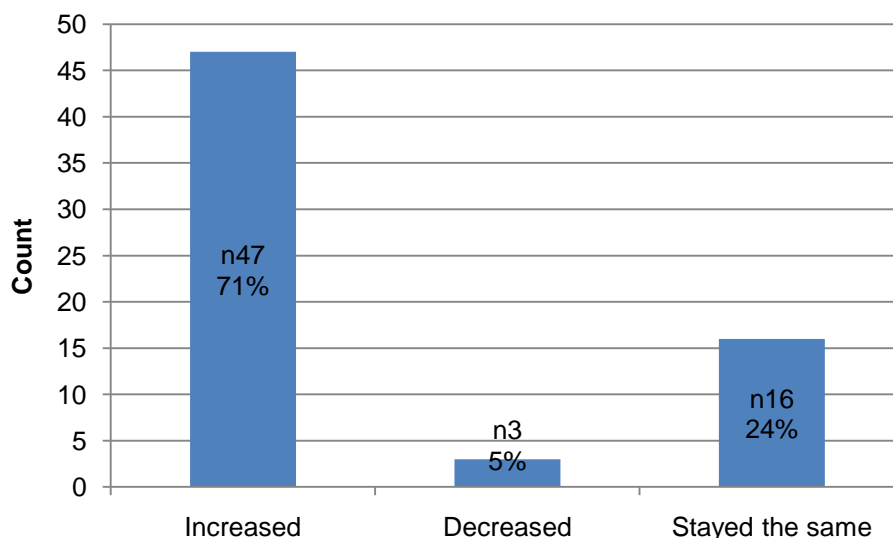


3.6 Effort to Raise Organisation Income

The findings in the survey with regard to income demonstrated that the majority of respondents have been significantly affected by the economic downturn and that their income, both statutory and non-statutory had decreased in 2009. To examine how organisations have responded to funding challenges, respondents were asked the extent to which their effort to generate their organisations income has increased, decreased or stayed the same in 2009 compared to previous years.

Overall, organisations had to work harder in 2009 to raise their income compared to previous years. A total of 71% (n-47) reported that their effort had increased, 24% (n-16) said that it has stayed the same while just 5% (n-3) said that their effort decreased.

Chart 7 Efforts Required to Generate Organisation Income in 2009



We cannot presume that organisations have had to increase their efforts to raise income as a result of the economic downturn. For this reason, respondents were asked to explain their answer where relevant. Findings showed that organisations

faced growing demands to increase their income. This was largely due to a decline in funding from statutory and corporate sources, as well as fundraised income. Organisations reported an increase in the time and effort in applying for alternative sources of funding.

“We need to work harder to chase scarce resources”

“More applications and letters seeking funding have had to be explored and administered”

“It takes 50% more work and phone calls to generate business and income”

Just under a third (31% n=11) of respondents said they had to increase their efforts to raise their organisation income because of the decline in corporate sponsorship and donations. The current economic downturn has had an unprecedented effect on the corporate sector and has impacted negatively on charities that relied on private donations to help fund their services. These organisations had to look elsewhere to plug the gaps in their funding.

“As corporate sponsorship and donations decrease, it requires many more hours to try to keep afloat”

Another key reason for the increase effort required to generate income was that “people have less to give”. This was particularly relevant for disability organisations that relied to a great extent on fundraising to support their services.

“With more people unemployed or unsure about their incomes, naturally they will give us less”

Finally, organisations reported the need to increase their efforts in order to replace cuts to their statutory funding.

“There is a need to keep certain projects running and once the funding is not available through our core funding stream it must be sought elsewhere”

“We have had to match the deficits caused by the HSE cuts”

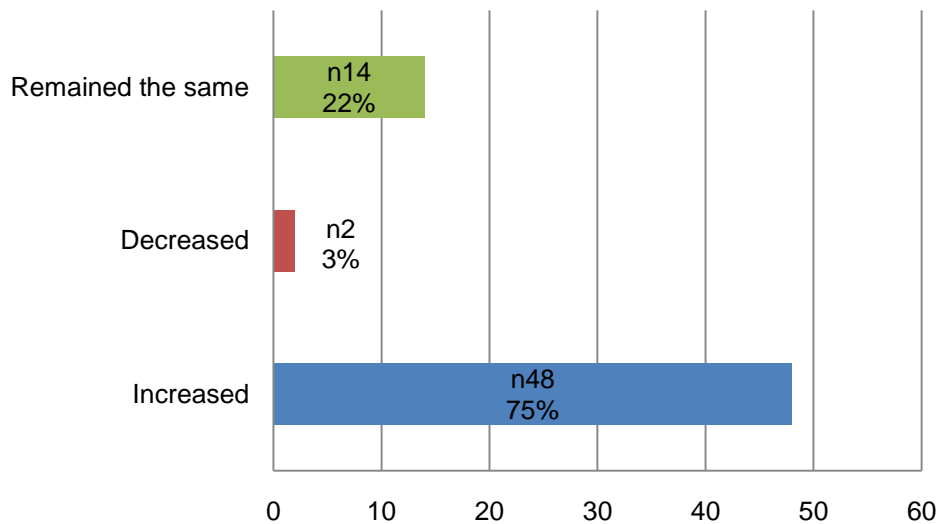
3.7 Demand for Services Provided by Voluntary Disability Organisations

The findings from the survey have shown that the economic downturn had a significant impact on DFI member organisations in 2009. The majority have had to work harder to raise their income, while at the same time both statutory and non-statutory sources of funding decreased. In addition to this, disability organisations have had to manage an increasing demand for their service as demonstrated in the Chart overleaf.

Overall, three quarters of respondents stated that the demand for their service increased from the beginning of 2009, while a further 22% said that it had stayed the same. When asked why the demand had increased, nearly two thirds of

organisations (62% n-29) reported that this was due to the promotion of the service. This corresponds to the finding that members have had to increase fundraising efforts to meet income deficits caused by the economic downturn.

Chart 8 Has demand for your service increased, decreased or stayed the same in 2009 compared to the previous year?



3.8 Conclusion

The survey finding showed that over three quarters of respondents have either been 'very significantly' or 'significantly' affected by the economic downturn. The majority of organisations were affected by statutory cuts to their funding, and experienced further reductions in non-statutory income such as fundraising, membership fees and corporate sponsorship and donations. Nearly three quarters reported that their total income decreased in 2009 compared to the previous year. At the same time organisations had to work harder to generate funding. The main reasons for this was the reduction in statutory and corporate funding, as well as increasing competition to raise fundraised income. In general, it was found that people had 'less to give' in the economic downturn and this was having a negative impact on charities that depend to a large extent on fundraised income. It is also worth noting that while organisation funding had declined last year, and they had to work harder to generate the same income, the demand for their service had actually increased stretching the service even further.

SECTION FOUR

Impact of the Economic Downturn on Voluntary Disability Services

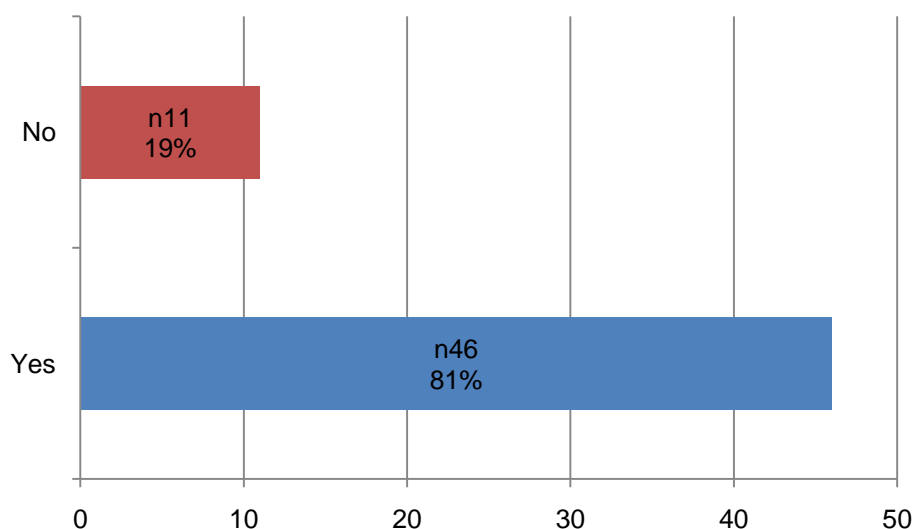
4.1 Introduction

Section Four outlines the impact of the economic downturn on voluntary disability services in 2009. Organisations report how they have implemented funding cuts to-date and the extent to which services have been affected. Finally, the impact that additional cuts would have on services to people with disabilities is explored.

4.2 Staff Cutbacks and Measures in Voluntary Disability Organisations

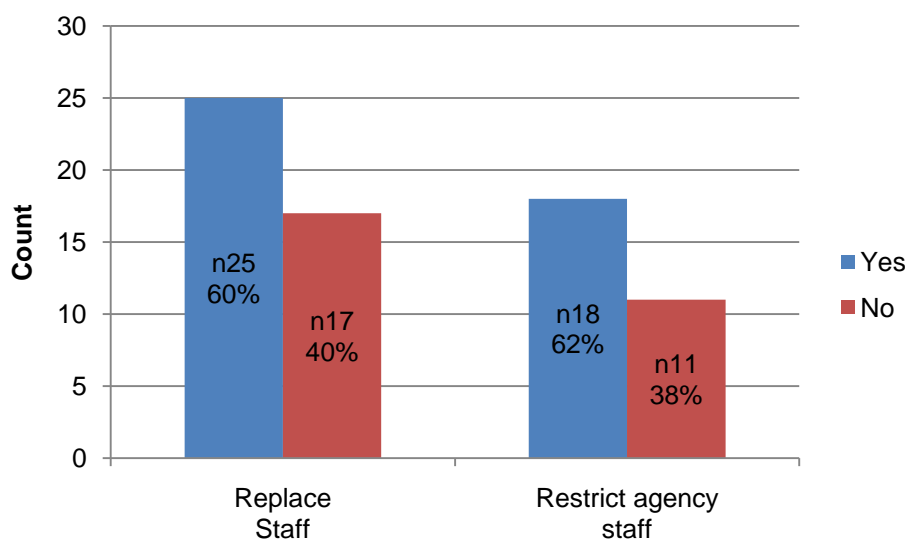
DFI member organisations who responded to the survey were questioned as to what measures they have had to introduce in response to the economic downturn. Four out of five respondents (81%) reported the need to restrict staff travel or travel expenses in 2009. While restricting travel can be beneficial in curbing any unnecessary travel, it should be noted that it may have obvious negative repercussions for service delivery. For instance, the services provided by family support workers may be restricted if they are unable to visit families or service users.

Chart 9 Have you had to restrict staff travel or travel expenses in 2009?



The chart overleaf shows that over half of respondents reported that they did not replace staff that left during 2009. This can put an obvious strain on existing services and staff who have additional work to cover. Restriction on agency staff is also another burden that larger organisations providing residential services had to manage. Nearly two thirds of those that depend on this type of support reported that they restricted agency staff last year.

Chart 10 Have you replaced staff that left or restricted agency staff in 2009 where relevant?



The majority of organisations did not introduce voluntary or involuntary pay cuts in 2009, however we know that this trend has changed in 2010 as the majority of organisations were affected by the public sector pay cuts.

4.3 Impact on Service Delivery for People with Disabilities

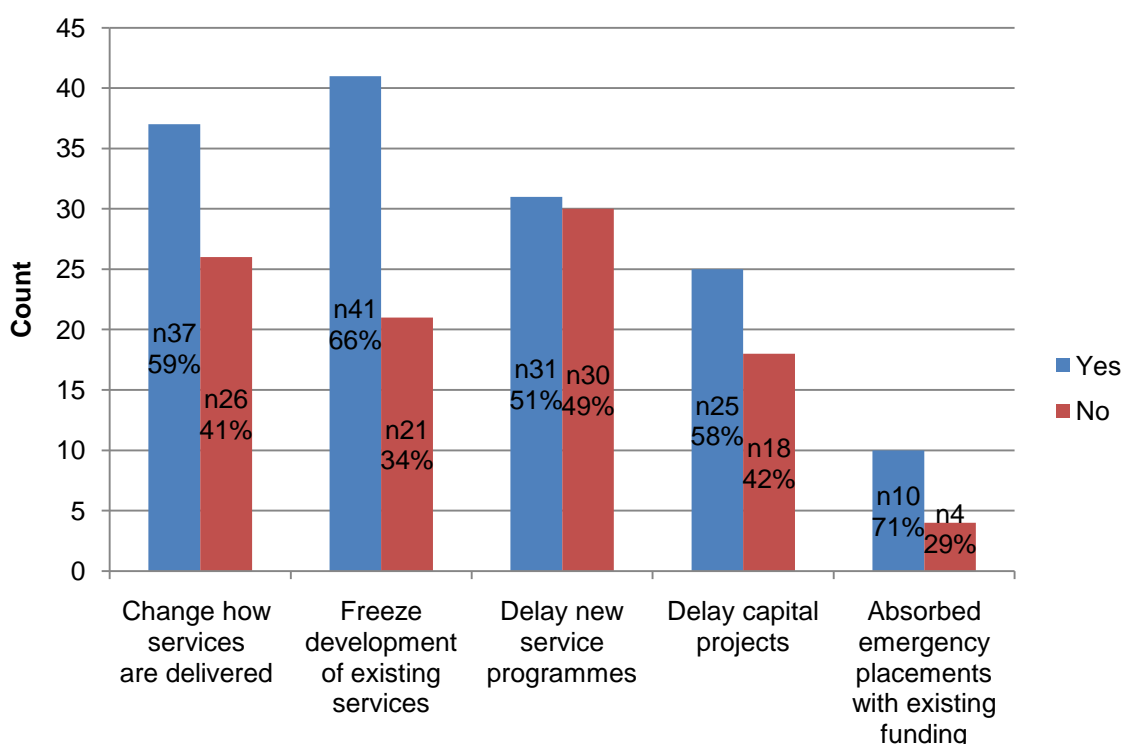
The Chart overleaf demonstrates the extent to which services provided by voluntary disability organisations for people with disabilities have been affected by the economic downturn. Over half of the respondents stated that they had to change how their services were delivered in 2009 compared to the previous year. Furthermore, two thirds of DFI members reported that they had to freeze the development of existing services. This is a very worrying finding as the delayed growth of services will have a negative effect in responding to the needs of people with disabilities in the community and is contrary to the commitments laid out in the National Disability Strategy.

DFI acknowledge the significant investment made in disability services since the introduction of the National Disability Strategy in 2004. This must be understood within the context of the 1980s, however, when the needs of people with disabilities went large ignored and services were decimated. Service delivery has slowly recovered but requires ongoing investment to fund core services and to support mainstreaming of people with disabilities where possible.

Taking this into account, it is therefore unacceptable to find that as well as the lack of development of existing services, over half of organisations (51%) reported that they had to hold off delivering new service programme because of funding uncertainties in 2009. Furthermore, 58% also reported that they had to delay plans to invest in capital programmes in the same year. Disabled people cannot participate fully in the community and mainstream activity unless adequate funding is invested in new services and capital investment programme. This is particularly relevant to services and capital projects that facilitate independent living and the move from institutional to community settings.

The final chart shows that 10 out of the 14 organisations that provide respite and residential placements have had to absorb emergency places using existing funding. This is unsustainable and is a clear example of how voluntary disability organisations continue to prop up core health services that should be provided by the State to very vulnerable people. It also demonstrates how funding for the development of new and existing services can be curtailed in order to plug the gaps in HSE services.

Chart 11 Impact of the Economic Downturn on Service Delivery 2009



4.4 Service Cuts Outside of Voluntary Disability Organisations

In order to examine the impact of funding cuts to people with disabilities, respondents were also asked to note any other service cuts outside of their organisations that are impacting on their service users.

The reduction of HSE community services for people with disabilities was the main source of concern for DFI members. Organisations reported cuts across all service for people with disabilities provided by local health offices. In particular the cut to PA and Home Help hours has been significant and this in turn has put pressure on organisations and advocacy services.

“As part of our ongoing assessments with leaders we know that home help hours are reduced”

“All community care and special needs requirements have been substantially reduced and are harder for new clients to access”

“HSE cut in home help and home care attendants have had an impact on our PA service, we are getting requests for more hours and also the up take of the Advocacy service to deal with appeals re hours”

Longer waiting lists appeared to be another challenge created by the economic downturn. This was mentioned both in terms of accessing HSE community services as well as hospital services.

“Longer waiting lists for access to predictive testing and genetic counselling”

“Waiting times for appointments have also gone up in Crumlin Children's Hospital. This is purely because of cutbacks and directly effects every single parent”

Other common concerns emerging from the data included difficulties around the medical card qualification, the delay in the role out of primary care teams, cuts to educational support for students with disabilities, as well as occupational therapy and physio supports and cuts to aids and appliances expenditure.

4.5 Impact Additional Cuts would have on Services to People with Disabilities

Organisations were asked what if any impact additional funding cuts would have on their service. Nearly half (48% n-22) of those that responded reported that they would have to cut their service level if they were hit with additional cuts to funding. The provision of Personal Assistance hours was mentioned in particular, along with cuts to social activities. These services are crucial to the social inclusion of people with disabilities and the full implementation of the National Disability Strategy.

“Any additional cut will now impact directly on service provision, as all non-pay savings have been maximised”

“We'd have less money to pay people and we would have to reduce PA social hours which are an important aspect of independent living for people with disabilities.”

“We would have to reduce the social occasions we provide. For instance, have one lunch per month for members instead of two”

DFI members (26% n-12) were very clear that they would have to implement changes with regard to staff as a result of further funding cuts. They reported that they would be forced to reduce the pay cost to the organisation, as well as cutting staff hours and even redundancies. There was fear that this response would also impact negatively on services to people with disabilities.

“Similar to all agencies, reduce staffing which ultimately will affect the level of service offered to key stakeholders”

“We will have to let staff go if our funding is further reduced”

A small number of organisations mentioned the fact that they would not be able to develop their service for people with disabilities if further cuts were to be made to the organisation's funding.

“Since our programme is volunteer based and we have a small budget additional cuts will not impact our present services. However, the present scarcity of public funding is limiting any plans that we have to expanding and improving our service base”

One organisation reported that they will be forced to wind down if their funding is reduced any further.

“We could literally be out of business as we are so poorly funded at present”

Table 6 What if any impact would additional cuts to your funding have on your services?

Impact additional cuts to funding	Frequency	Percent of cases
Cuts to service level	22	48%
Reduce staffing	12	26%
No development of services	3	6%
Be out of business	1	2%
Other		

4.6 CONCLUSION

DFI member organisations who responded to the survey were questioned as to what measures they have had to introduce in response to the economic downturn. During 2009 measures introduced to absorb cuts to funding included decisions to restrict staff travel and travel expenses and the non-replacement of staff that left or went on maternity or sick leave. All of these cutbacks were found to be at a time when organisations reported an increase in the demand for their service.

Over half of the respondents stated that they had to change how their services were delivered in 2009 compared to the previous year. Two thirds reported that they had to freeze the development of existing services contrary to the commitments laid out in the National Disability Strategy. Further cuts were noted in relation to the development of existing services, with over half reporting that they had to hold off delivering new service programme because of funding uncertainties in 2009. Furthermore, 58% also reported that they had to delay plans to invest in capital programmes in the same year. Organisations that provide respite and residential placements had to absorb emergency places using their existing funding.

Finally, respondents were asked to identify any service cuts outside of their organisation that in their opinion are having a negative impact on people with disabilities. Reduction in PA hours, home help and longer waiting hours were found to pose significant challenges going forward. This is made worse by the fact that over half of the respondents stated that additional cuts to their funding would result in

a reduction to the level of their service. We now know that these cuts were indeed implemented during the course of 2010 and organisations face significant challenges in delivering their service at the current level it exists.

SECTION FIVE

New Opportunities for Voluntary Disability Organisations

5.1 Introduction

Section Five outlines new opportunities that have arisen as a result of the economic downturn. The respondents' openness to collaboration is discussed in relation to sharing administration and back office functions as well as direct service provision.

5.2 Opportunities Provided by the Recession

Members were asked what opportunities the economic downturn had provided. The responses were varied but demonstrated the value in organisations taking the time to reflect on their position in the new environment. Organisations were particularly positive about the opportunity to negotiate better prices for their goods and services. There was also reference to greater cooperation from staff during a time of recession and for increasing efficiency within the organisation.

“Services and goods are available at better prices. We are now negotiating with all providers for their prices on services”

“Prices of property have dropped”

“More efficiency and cooperation from staff”

Organisations mentioned the new opportunities to collaborate that have arisen as a result of the economic downturn. This was considered within the context of improving their overall service.

“We are more focused on improving what we do with services available to us. We are having discussions with other agencies about collaboration”

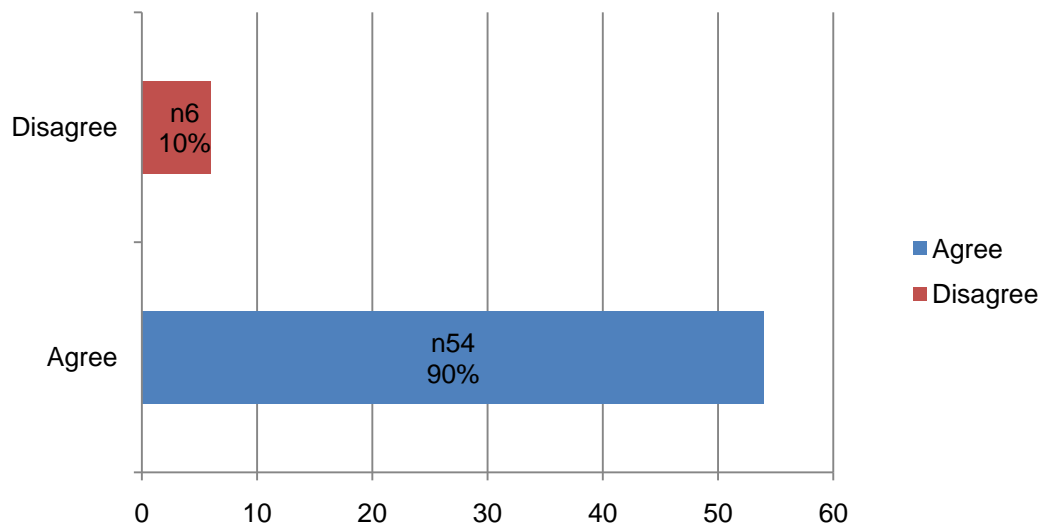
Other issues raised by organisations in terms of opportunities included the increase in volunteers and the chance to review and re-position the organisation. In some instances, respondents reported that service users were now more understanding of the constraints on funding and challenges this posed.

“It’s easier to communicate change to clients because there’s a greater awareness that things have to be done differently. The organisation is aware that they need to be cost effective and provide good value for money”

5.3 Further Opportunities Provided by the Recession

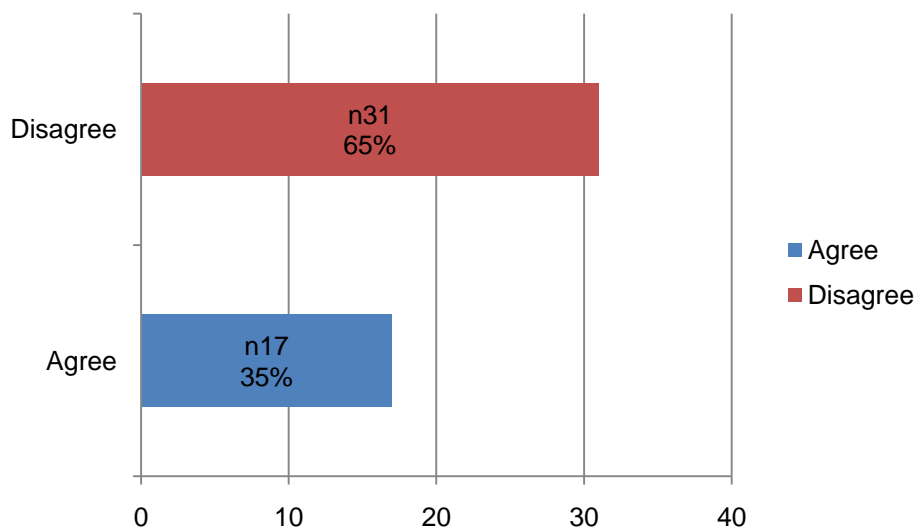
Another opportunity provided by the recession was that disability organisations managed to reduce their overhead costs in 2009 compared to the previous year. This is shown in the Chart overleaf where 9 out of 10 respondents agreed with the statement that they had reduced their costs in 2009.

Chart 12 We have reduced our costs in 2009



Furthermore, over a third (Chart 13) of DFI members agreed that the recession had supplied them with more volunteers although it is somewhat surprising that this is not more.

Chart 13 The Recession has increased our supply of volunteers



5.4 Conclusion

This Section has explored the opportunities that have arisen from the economic downturn. The chance to negotiate better prices for goods and services was noted, as well as greater openness to collaboration and new ways of working.

SECTION SIX

Conclusion and Recommendations

6.1 Introduction

The overall aim of the research was to examine the impact of the recession on funding for voluntary disability organisation and in particular among small to medium organisations.

The findings that have emerged from the research are summarised under each of the research questions identified in the introduction chapter of this report.

1. The demographic and organisational profile of DFI members
2. An overview of funding for voluntary disability organisations
3. The extent of funding cuts among DFI members in 2009
4. The impact, if any, the recession is having on DFI members and their ability to provide services to people with disabilities
5. New opportunities that have arisen as a result of the recession

Finally, the implications of the research findings and any recommendations stemming from these are drawn out.

6.2 A Profile of DFI Membership and Funding for Voluntary Disability Organisations

The report has shown the diversity of the DFI membership in relation to the disabilities they represent. Organisations provide a wide range of services to support people with disabilities. These include core health services such as the provision of doctors, nurses, social workers, occupational therapists, aids and appliances, as well as other support services such as day and respite, family support work and information and advice. The majority of DFI members who responded to the survey had been 0-25 staff (69%). In 2008, DFI respondents reported a total income of over €400 million with €341 million raised through statutory funding and a further €68 million from non-statutory sources such as fundraising. It is interesting to note that over half of the total income for organisation with between 0-25 staff is raised through non-statutory sources. Eight out of ten members received some statutory money from the HSE

6.3 Extent of Funding Cuts among DFI Members in 2009

Over three quarters of respondents reported that they had been either been 'very significantly' or 'significantly' affected by the economic downturn. The majority of organisations were affected by statutory cuts to their funding, and experienced further reductions in non-statutory income such as fundraising, membership fees and corporate sponsorship and donations. Nearly three quarters reported that their total income decreased in 2009 compared to the previous year. At the same time organisations had to work harder to generate funding. The main reasons for this was the reduction in statutory and corporate funding, as well as increasing competition to raise fundraised income. In general, it was found that people had

'less to give' in the economic downturn and this was having a negative impact on charities that depend to a large extent on fundraised income. It is also worth noting that while organisation funding had declined last year, and they had to work harder to generate the same income, the demand for their service had actually increased stretching the service even further.

6.4 The impact of the recession on DFI members and their ability to provide services to people with disabilities

DFI member organisations who responded to the survey were questioned as to what measures they have had to introduce in response to the economic downturn.

During 2009 measures introduced to absorb cuts to funding included decisions to restrict staff travel and travel expenses and the non-replacement of staff that left or went on maternity or sick leave. All of these cutbacks were found to be at a time when organisations reported an increase in the demand for their service.

Over half of the respondents stated that they had to change how their services were delivered in 2009 compared to the previous year. Two thirds reported that they had to freeze the development of existing services contrary to the commitments laid out in the National Disability Strategy. Further cuts were noted in relation to the development of existing services, with over half reporting that they had to hold off delivering new service programme because of funding uncertainties in 2009. Furthermore, 58% also reported that they had to delay plans to invest in capital programmes in the same year. Organisations that provide respite and residential placements had to absorb emergency places using their existing funding.

Finally, respondents were asked to identify any service cuts outside of their organisation that in their opinion are having a negative impact on people with disabilities. Reduction in PA hours, home help and longer waiting hours were found to pose significant challenges going forward. This is made worse by the fact that over half of the respondents stated that additional cuts to their funding would result in a reduction to the level of their service. We now know that these cuts were indeed implemented during the course of 2010 and organisations face significant challenges in delivering their service at the current level it exists.

6.5 To identify new opportunities that have arisen as a result of the recession

Respondents were asked about any opportunities that have arisen as a result of the recession. Positive outcomes included the ability for organisations to negotiate better prices on goods and services, as well as the ability to find opportunities to collaborate and to recruit more volunteers.

Recommendations

13. DFI should continue to lobby key stakeholders to ensure the added value of voluntary disability organisation is recognised. In particular there needs to be a clearer understanding and recognition of the extent to which voluntary disability organisation raise non-statutory income to deliver services to people with disabilities and to top up government funding.

14. Particular actions need to be implemented around supporting DFI members to create public awareness about the added value they bring to the Sector
15. DFI should consider how the findings with regard to funding could be used and developed to be fed into the Value Money Review of Disability Services being conducted by the Department of Health and Children in 2010
16. Continue to role out the DFI Annual Plan 2010 and future Plans to support the larger number of organisations who have to sign a Service Level Agreement and Grant Aid Agreement with the HSE.
17. Furthermore, DFI should continue to review and reflect on the needs of member organisations arising from the Grant Aid and Service Level Agreements with the HSE and react accordingly
18. Additional research is required in order to examine the meaning of 'significant impact' and identify needs arising from this
19. The findings revealed that organisations require practical support and advice on funding opportunities in times of recession. This is particularly evident in light of cuts to statutory and non-statutory sources of income.
20. Voluntary Disability Organisation require support to question whether the same level of funding is necessary and review if services could be provided through collaborative working with another service provider and in some instances, mainstream service provision.
21. Continue ongoing work with DFI members to collaborate in the future
22. Consider the possibility of conducting a needs analysis of DFI membership to examine further how they should be supported through the recession
23. DFI will continue to work with our members to evaluate the impact of funding cuts on services to people with disabilities
24. There is a reasonable expectation that DFI members will require ongoing support with regard to implementing pay cuts and redundancies in 2010 and in the future. Actions outlined in the DFI Annual Plan should support the members through this process.