Review of Community Services Programme

Prepared for

Department of Rural and Community Development

By

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Glossary of Terms and Abbreviations

Aggregate rural area	The population in the Aggregate Rural Area is defined as those persons living outside population clusters of 1,500 or more inhabitants.
Aggregate town area	The population in the Aggregate Town Area is defined as those persons living in population clusters of 1,500 or more inhabitants.
CCPC	Competition and Consumer Protection Commission.
CCS Programme	Community Childcare Subvention Programme.
CEP	Community Employment Programme.
CSO	Central Statistics Office.
CSP	Community Services Programme.
DEASP	Department of Employment Affairs and Social Protection.
Displacement	Displacement could occur where a service that is in receipt of state funding displaces commercial competitors in a market.
DRCD	Department of Rural and Community Development.
EOI	Expression of Interest.
FTE	Full-Time Equivalent – The unit which indicates the time worked by one employee on a full-time basis. It is used to convert the hours worked by part-time employees into the hours worked by full-time employees.
GDPR	General Data Protection Regulation.
LCDC	Local Community Development Committee.
SICAP	Social Inclusion and Community Activation Programme.
Strand 1/1s	Large Community Halls/Facilities (Strand 1); Small Community Halls/Facilities (Strand 1s) under CSP.
Strand 2	Community Services for Disadvantaged Communities under CSP.
Strand 3	CSP organisations employing people that are distant from the labour market.

Executive Summary

Introduction

This report is submitted to the Department of Rural and Community Development by Indecon research economists. The report represents an independent, evidence-based review of the Community Services Programme (CSP). The CSP is managed by Pobal on behalf of DRCD. Indecon is a leading firm of research economists and was appointed following a competitive tender to conduct this review.

The CSP supports community-based organisations to deliver social, economic and environmental services that tackle disadvantage. It is focused on areas where the provision of services by the public and private sectors is low or lacking due to such areas being geographically or socially isolated or having a level of demand that is not sufficient for the provision of such services.

The CSP involves a co-funding model, with State support used to make a contribution towards the cost of employing a manager and/or a specified number of positions, with the community-based organisation expected to generate income to meet the other costs associated with the delivery of services. This model has the potential to leverage public funds and to achieve value for money for scarce Exchequer resources. However, this presents challenges for a cohort of community organisations providing services to marginalised groups where they do not have options to generate significant trading income.

Background Context

The CSP has emerged from the former Social Economy Programme. Following transfer of responsibility for this programme from the (former) Department of Enterprise, Trade and Employment to the (former) Department of Community, Rural and Gaeltacht Affairs in January 2006, the emphasis of the programme shifted from being a labour market activation/training initiative to an approach focused more on enabling community-based organisations to meet service gaps and provide essential services that would not otherwise be available in local communities. Reflecting this change in emphasis, the name of the programme was changed to the Community Services Programme.

In mid-2010, during the economic downturn, the CSP was transferred from the then Department of Community, Equality and Gaeltacht Affairs to the former Department of Social Protection, where the focus became, once again, activation, as that Department had responsibility for functions relating to employment and community services, at that time.

The consolidation into a new Department of both policy and direct supports in respect of community and rural development provided the means for a greater focus on creating vibrant and sustainable communities and, in line with that aim, the Community Services Programme was transferred to the new Department of Rural and Community Development (DRCD) from the Department of Employment Affairs and Social Protection (DEASP) on 1 January 2018.

Since the CSP was designed, there have been major economic and social changes in Ireland. In recent years there has been a decline in the consistent poverty rate in both urban and rural areas and the lowest income deciles saw the largest increases in incomes. However, many households remain in consistent poverty. There has also been an increase in urbanisation and a decline in the percentage of the population in rural areas. Long-term unemployment peaked in 2012 and the overall levels of unemployment and the proportion of long-term unemployed have has fallen significantly. High levels of unemployment, however, remain in some communities and among those with educational or social disadvantages.

Nature and Diversity of CSP Organisations

The CSP is divided into a number of categories which are termed strands. Strand 1 involves funding for large community halls and there is a separate strand (Strand 1s) for small community halls. Strand 2 involves services for disadvantaged areas and Strand 3 supports services employing disadvantaged groups. Supported CSP organisations per 10,000 population are more heavily concentrated in rural counties than in urban areas.

Number of Organisations Supported by the CSP and Type of Activity

Number of Organisations in Receipt of Payment/Award via the CSP

Year	Value
2014	405
2015	397
2016	405
2017	399
2018	413
2019	413

Percentage of CSP Service Providers:

Type of Activity	Percentage
Community Halls and Resource Centres	50%
Tourism and Heritage	10%
Other Services	10%
Services for Older People	9%
Enterprise, Education, Learning and IT...	6%
Childcare	4%
Broadcasting	3%
Home Insulation and Environment Works	3%
Services for People with Disabilities	2%
Community Transport	1%
Therapeutic Services	1%

Source: Indecon analysis of Pobal data
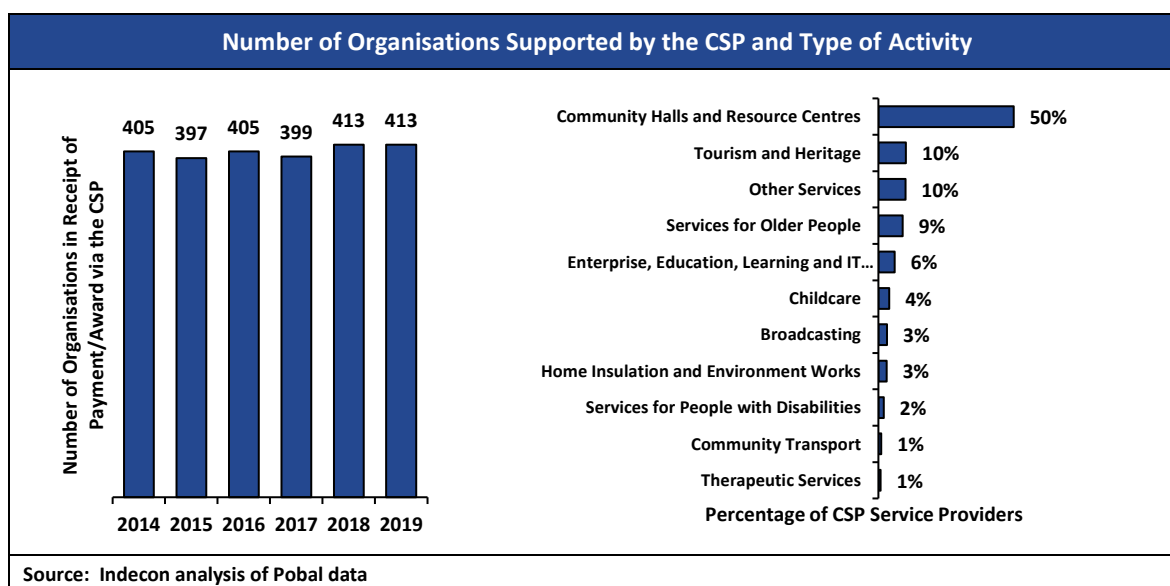
CSP-supported organisations employ almost 2,000 staff (including managers and FTE staff) nationally, representing an average of 4.8 staff per organisation supported in 2019. Most CSP organisations have between two and eight employees.

Number of Managers and FTEs Supported by CSP (2014-2019)

Year	No. of Managers	No of FTE Staff	Total	Average Number of Staff
2014	292	1,697	1,989	4.9
2015	292	1,662	1,954	4.9
2016	303	1,686	1,990	4.9
2017	296	1,652	1,948	4.9
2018	301	1,650	1,951	4.7
2019	307	1,665	1,971	4.8

Source: Indecon analysis of POBAL data

Indecon's analysis of the evidence indicates that there are low rates of entry and exit of organisations from the CSP (see table overleaf). This has limited the scope for new organisations/services to gain entry to the Programme.

CSP Organisations Exits and Entries (2014-2018)					
	2014	**2015**	**2016**	**2017**	**2018**
New Entrants	4	11	15	2	28
Exits	16	12	5	18	5
Net Change	-12	-1	+10	-16	+23
New Entrants as % of Total	1.0%	2.8%	3.7%	0.5%	6.8%
Exits as % of Total	3.9%	3.0%	1.2%	4.5%	1.2%
Net Change as a % of Total	-3.0%	-0.3%	+2.5%	-4.0%	+5.6%
Source: Indecon analysis of POBAL data					

Role and Structure of CSP Funding

Between 2014 and 2018, the annual value of CSP awards and payments was between €42 and €43 million. Since 2014, the percentage of awards allocated to Strand 1 (Community Halls) has increased from 39% to 43%, while the percentage allocated to Strand 3 (Services Employing Disadvantaged Groups) has increased from 11% to 13%. The percentage allocated to Strand 2 (Services for Disadvantaged Areas) has decreased from 42% to 36%.

Value of CSP Awards by Strand, 2014-2019 (€ Million)										
Year	Strand 1 – Large Community Halls		Strand 1s – Small Community Halls		Strand 2 – Services for Disadvantaged Areas		Strand 3 – Services Employing Disadvantaged Groups		Total	
	€ M	%	€ M	%	€ M	%	€ M	%	€ M	%
2014	16.4	38.6%	3.8	9.0%	17.6	41.6%	4.6	10.9%	42.4	100
2015	16.9	40.5%	3.6	8.7%	16.8	40.4%	4.3	10.4%	41.7	100
2016	17.6	40.8%	3.7	8.6%	17.3	40.2%	4.4	10.3%	43.0	100
2017	17.5	41.8%	3.6	8.5%	16.3	39.0%	4.4	10.6%	41.8	100
2018	17.4	41.7%	3.5	8.5%	15.6	37.4%	5.2	12.4%	41.7	100
2019	18.4	42.8%	3.8	8.8%	15.4	35.7%	5.5	12.7%	43.1	100
Source: Indecon analysis of POBAL data										

There is considerable variation in the funding mix across CSP organisations. On average enterprise/commercial income and CSP awards accounted for approximately 38% and 43% of total income, respectively. Other sources of Government funding represent a small percentage of the income of assisted organisations. A majority of CSP organisations are awarded funding of up to €100,000, with one-quarter allocated less than €50,000. Indecon's analysis also suggests low levels of deadweight[1] in the CSP. Many of the organisations are dependent on CSP for continued viability if their existing service provision is to be maintained. While 30% of organisations would continue without CSP funding, most of these would have had to restrict services. Over 57% of organisations indicated that their project would not have proceeded without CSP funding (see figure below). This is consistent with Indecon's analysis of the marginal financial situation of most of the organisations supported.

Views Of Organisations on What Would Have Occurred in Absence Of CSP Funding

Source: Indecon Analysis of DEASP Data.
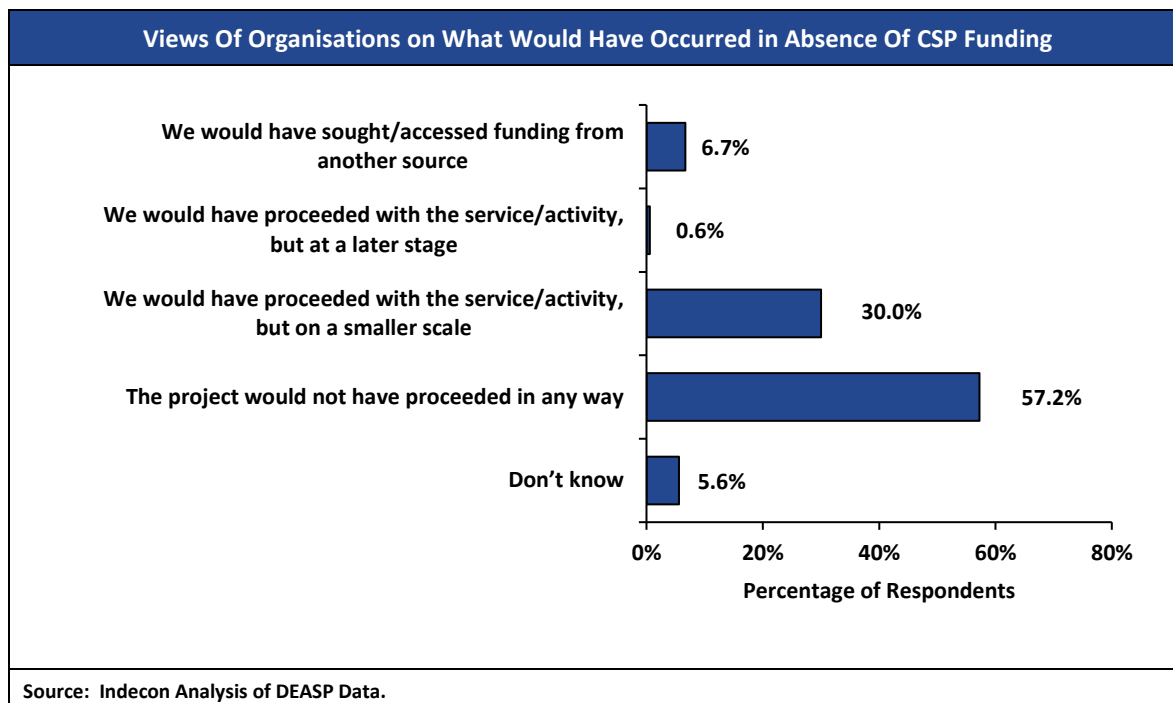
Impact of the CSP on Communities

There is limited data currently collected concerning the impact of the CSP on communities and this is a deficiency of the Programme. One measure of performance monitored is the level of footfall; and while this is a useful measure of activity for some types of organisations, it does not measure impacts. The data, however, indicates that total footfall for CSP-supported organisations was 14.6 million in 2018. New survey evidence gathered for the purpose of this review suggests that an important result of the Programme is the provision of community-based services for marginalised groups which would not otherwise have been provided. This is consistent with Indecon's analysis of the types of services provided and for certain services it was possible to examine quantifiable measures. For example, Indecon notes that the 35 Meals on Wheels organisations supported provided an annual average of approximately 16,000 meals.

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[1] For a discussion on deadweight, see Gray A. W. (1995) A Guide to Evaluation Methods, Published by Gill and Macmillan, ISBN 0 717 1 22425.

Footfall Measured by CSP Organisation Strand ('000s)					
	2018 Jan-Jun ('000s)	2018 Jul-Dec ('000s)	Total Footfall ('000s)	% of Total	% of Number of Organisations
Strand 1 - Large Community Halls	4,291	4,317	8,608	58.9%	41.1%
Strand 1s - Small Community Halls	1,532	1,509	3,041	20.8%	24.1%
Strand 2 - Services for Disadvantaged Areas	1,255	1,246	2,501	17.1%	25.2%
Strand 3 - Services Employing Disadvantaged Groups	189	265	454	3.1%	9.6%
Total	**7,268**	**7,336**	**14,604**	**100%**	**100%**
Source: Indecon analysis of Pobal data					

Impact of CSP on Job Opportunities

One aspect of the CSP is how it impacts on career opportunities. Indecon's new survey research undertaken for this review suggests a significant positive impact on the provision of job opportunities for marginalised groups. Indecon notes that 86% of all FTE positions nationally were filled by persons from the designated target groups. This is relevant in terms of the horizontal objective of the Programme to increase employment opportunities for marginalised groups. However, our detailed analysis indicates only a small percentage of the job opportunities were to groups who are most distant from the labour market. These include individuals with disabilities, those from the Traveller community, and people with criminal convictions or recovering drug users. Those most distant from the labour market have higher levels of unemployment and the Programme has not significantly impacted on this group. This is understandable, as the current incentives are not differentiated by category of individuals supported. This is not surprising to Indecon as employing individuals from these groups often requires investment in supporting services and there is no differential payment made under the Programme to organisations supporting these individuals.

An issue in terms of effectiveness is how likely is it that individuals funded would have secured employment without CSP. Counterfactual econometric modelling would have been required to formally measure this, but this is outside the scope of the review and data to complete it is not available. However, evidence from Pobal indicates that 7.4% of FTE staff had never worked before, and 18.2% and 21.5% were unemployed for 1-2 years and 3-5 years, respectively, prior to employment in their CSP organisation.

Prior Unemployment Duration of CSP Staff

Source: Pobal Worker Profile Report (2018)

A majority of those surveyed suggested that CSP funding enabled them to find a job where otherwise they would be unemployed. Indecon believes that improvements in the labour market mean that the probability of individuals securing employment has been increasing and this is an important consideration for the objectives of the Programme.

Views of Staff on Impact of CSP Funding on Them Finding a Job Where Otherwise They Would Have Been Unemployed

Source: Indecon analysis of Information Request of CSP-Supported Staff
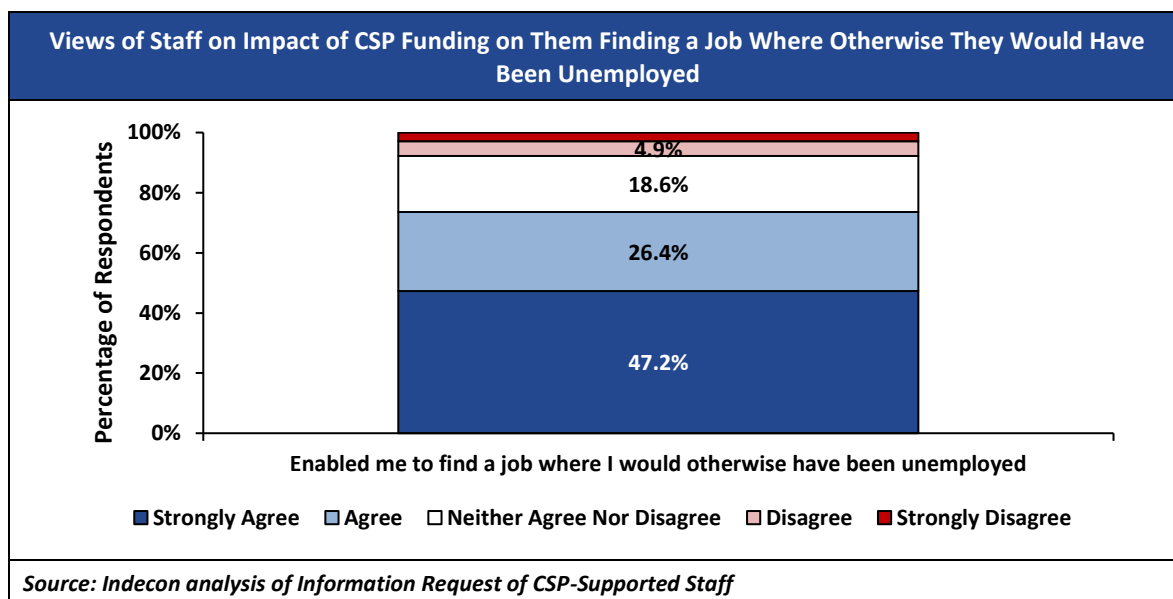
Programme Eligibility, Application and Governance

Indecon's review of the Programme documentation suggests that application forms are clear and we note that assistance is given by Pobal to potential applicants as part of the application process. A majority of CSP organisations indicated to Indecon that the quality of guidance documentation and assistance available to CSP applicants were better than for other funding sources.

One issue identified by Indecon and also raised during the stakeholder consultation is the appropriateness of the CSP governance model, which involves both the Department and Pobal. This process is complex and includes a three-stage application process. This raises issues concerning the efficiency and transparency of the process.

This review has also examined the approaches applied in relation to ongoing programme monitoring and evaluation. In this context, the absence of an appropriate Programme Logic Model (PLM) framework was noted. A PLM maps out the structure and linkages of the Programme, and establishes logical relationships between different stages of the Programme that are arranged sequentially to achieve specific targets and objectives. At a high level, the PLM examines how inputs are translated, through activities, into outputs, and how these outputs become results and outcomes. A proposed PLM for the next CSP is set out in Section 7 of this report.

Recommendations

Indecon's analysis suggests that the CSP has many strengths and has benefited local communities in a number of ways. The CSP was launched in 2006 to stimulate and support the social economy. The programme has evolved over the years in line with emerging priorities, including, for example, a strong focus on employment activation during the economic downturn. In the meantime, the external environment and government priorities have changed considerably, while the CSP's policy objectives and qualifying criteria have also evolved since 2006, mainly to manage the scale and mix of supported services and facilities rather than to meet changing government objectives. There is now an opportunity to build on the programme's achievements,

while also ensuring alignment with the Government's new strategy for the Community & Voluntary Sector ('Sustainable, Inclusive and Empowered Communities' – a five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024)[2] and first National Social Enterprise Policy for Ireland[3], and to design a more cost-effective programme that will maximise its impact in helping to build sustainable communities and reducing social disadvantage. There is, however, also a need for significant reform to align the Programme with the Department's strategic objectives and to maximise its impact. To support these goals, Indecon has developed a series of recommendations for reform, which are summarised in the table below and elaborated upon in the subsequent text.

Recommendations
1. A RENEWED AND CLEAR VISION FOR CSP, WHICH ALIGNS WITH THE DEPARTMENT OF RURAL AND COMMUNITY DEVELOPMENT'S MISSION AND STRATEGIC OBJECTIVES, SHOULD BE ARTICULATED AND COMMUNICATED BY THE DEPARTMENT TO ALL STAKEHOLDERS.
2. EXISTING CSP PROGRAMME STRANDS SHOULD BE REPLACED WITH A NUMBER OF SUB-PROGRAMMES, FOCUSED ON KEY STRATEGIC OBJECTIVES.
3. SEPARATE TARGETS SHOULD BE SET FOR EACH SUB-PROGRAMME AREA.
4. RATES OF FUNDING AND ELIGIBILITY CRITERIA SHOULD BE TAILORED TO REFLECT VARIANCE IN EACH SUB-PROGRAMME AREA.
5. FOR PROJECTS FOCUSED ON ENHANCING SOCIAL INCLUSION AND SUPPORT FOR SUSTAINABLE COMMUNITIES, RESOURCE PRIORITISATION SHOULD BE INFORMED BY LEVELS OF SOCIAL DISADVANTAGE.
6. A STREAMLINED APPLICATION PROCESS IS RECOMMENDED.
7. FACILITATION OF INVESTMENT IN SKILLS SHOULD BE INTEGRATED INTO THE NEW PROGRAMME.
8. THE DEPARTMENT OF RURAL AND COMMUNITY DEVELOPMENT SHOULD EXPLORE THE SCOPE FOR ALTERNATIVE APPROACHES TO SUPPORTING SPECIFIC AREAS.
9. A PERCENTAGE OF OVERALL ANNUAL FUNDING SHOULD BE ALLOCATED TO FACILITATE A PERIODIC CALL FOR PROPOSALS.
10. SIGNIFICANT ENHANCEMENTS ARE RECOMMENDED TO SUPPORT MONITORING AND EVALUATION.
11. NEW PERFORMANCE INDICATORS SHOULD BE SET.

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[2] 'Sustainable, Inclusive and Empowered Communities' – a five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024. Department of Rural and Community Development. See: https://assets.gov.ie/26890/ff380490589a4f9ab9cd9bb3f53b5493.pdf

[3] 'National Social Enterprise Policy for Ireland, 2019-2022. See: https://s3-eu-west-1.amazonaws.com/govieassets/19332/2fae274a44904593abba864427718a46.pdf

1. **A RENEWED AND CLEAR VISION FOR CSP, WHICH ALIGNS WITH THE DEPARTMENT OF RURAL AND COMMUNITY DEVELOPMENT'S MISSION AND STRATEGIC OBJECTIVES, SHOULD BE ARTICULATED AND COMMUNICATED BY THE DEPARTMENT TO ALL STAKEHOLDERS.**

Indecon recommends that a renewed vision for the CSP is set by the Department. A key aspect of this should be the finalisation of a vision for a reformed Programme. Indecon would suggest that the vision for the new Programme could include two main elements focussed on addressing the need to:

-   Support the development of vibrant, inclusive and empowered communities; and

-   Provide funding to potentially viable social enterprises.

Indecon believes that the first of these areas is consistent with the Government's new five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024[4] and the second is aligned in the National Social Enterprise Policy for Ireland. Specific measurable objectives for sub-programmes are recommended and are discussed further below. Indecon recognises that the CSP represents only one element of the policy responses required to address the challenges faced by vulnerable communities but it is critical that the CSP supports the wider policy directions. Indecon also notes that CSP-supported organisations are viewed as 'social enterprises', as this is a requirement to access funding. There is, however, a distinction between organisations providing non-commercial services to marginalised groups, and which often rely on volunteers and fundraising, and organisations that are potentially commercially viable but which have a social, societal or environmental objective. This is elaborated upon below.

2. **EXISTING PROGRAMME STRANDS SHOULD BE REPLACED WITH A NUMBER OF SUB-PROGRAMMES, FOCUSED ON KEY STRATEGIC OBJECTIVES.**

Indecon recommends that the existing strands should be replaced with sub-programmes focussed on three strategic objectives. Indecon recommends the sub-programmes should be designed to:

a) Improve utilisation of community infrastructure to support sustainable communities.

b) Provide targeted services in marginalised, socially disadvantaged communities.

c) Initiate and develop potentially viable social enterprises.

Improving the utilisation of community infrastructure is likely to enhance the impact and social return of previous investments by the Exchequer in developing community halls and other infrastructure. The benefits of such infrastructure only arise when they are used, and maximising utilisation to support sustainable communities is recommended. There is an important role for the CSP in helping local communities to enhance the utilisation of current infrastructure. This should be one of the key sub-programmes and could provide supports for community halls and for other eligible infrastructure.

The provision of targeted services in marginalised, socially disadvantaged areas can help support vibrant and inclusive communities. In identifying targeted services, this should be undertaken with care and should involve a potential list of exclusions, rather than attempting to define specific services. Service provision can help empower local communities and can directly assist in reducing social exclusion among marginalised groups. Indecon's analysis of the type of services currently funded under CSP suggest that continuing to support targeted services is essential to achieve the overall proposed vision of the Programme.

It is also important that, in implementing the Programme, monitoring is undertaken by Pobal to ensure that the most appropriate staff are delivering services where such services are provided by vulnerable groups and/or to vulnerable individuals in local communities.

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[4] 'Sustainable, Inclusive and Empowered Communities' – a five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024 – Op. Cit.

While all of the organisations supported by CSP have objectives to achieve a societal impact, there are a number of organisations which have significant commercial income through trading of goods and services. The new National Social Enterprise Policy for Ireland identified the need to improve access to finance and funding for such social enterprises. Indecon believes that while this will require sources of funding wider than the CSP, there is a valuable role which CSP could play in the initiation and development of potentially viable social enterprises. By focussing on enterprises which are potentially viable over time, this could provide opportunities for new entrants to the Programme by tapering levels of support over time.

It should be noted that it is not proposed to change the current requirement whereby individuals from targeted disadvantaged groups must make up at least 70% of CSP funded FTE positions. However, Indecon believes that the implementation of this requirement should ensure relevance to the prevailing labour market context, including where specific skillsets may be required in some areas. This should reflect the emphasis of the CSP on community service and development, focussing on social development and disadvantaged areas, rather than labour market activation.

In addition, there is a need to ensure effective communication of the Programme and its objectives, including the proposed strands. This will necessitate greater awareness and understanding, as well as application of new operational definition of Social Enterprise, as per the National Social Enterprise Policy. In addition, it will also require effective branding, which includes highlighting the source of funding and its objectives. The approach applied by the European Commission in relation to branding and communications regarding EU structural funds could be a useful model in this context.

3.   SEPARATE TARGETS SHOULD BE SET FOR EACH SUB-PROGRAMME AREA.

There is a need for separate targets to be set for each sub-programme area. These should be developed in a manner which can provide meaningful insights on how the programme is performing/under-performing. For the sub-programme concerning the utilisation of existing infrastructure, targets could be set in terms of the extent to which individuals and community groups utilise the infrastructure. For the sub-programme involved in the provision of services, targets for the number of individuals assisted, as well as for the impact of services could be developed. For the sub-programme on development of social enterprises, targets should also be set. Further details are discussed in our recommendation below on the related issue of performance indicators. Appropriate targets for each organisation should be agreed during the business planning stage with Pobal and should incorporate activities and services provided.

4.   RATES OF FUNDING AND ELIGIBILITY CRITERIA SHOULD BE TAILORED TO REFLECT VARIANCE IN EACH SUB-PROGRAMME AREA.

Indecon believes that 'a one-size-fits-all' approach is not appropriate to CSP, given the diversity of activities which the Programme supports. For example, while the requirement for securing trading income may be appropriate for some commercially-focussed social enterprises and for community infrastructure organisations, it is less appropriate to organisations providing non-commercial services to disadvantaged or marginalised communities (although all organisations should continue to strive to generate income or raise funds from a range of sources). Similarly, while a tiered programme of support involving declining levels of assistance may be appropriate for social enterprises with significant trading income or income from other fundraising or philanthropic sources, it is unlikely to be applicable to other organisations.

In addition, as a horizontal theme across the CSP, there is a need to provide a greater level of financial support to organisations employing individuals from disadvantaged or marginalised groups who are more distant from the labour market, such as people with criminal convictions, people with a disability and members of the Traveller Community. While such groups are very different to each other, they may require community organisations to provide higher levels of support to ensure that the individuals can make the most of opportunities provided. Indecon therefore recommends that the existing supports should be amended to provide a tailored package of supports reflecting the differentiated requirements for funding under each sub-programme.

In setting eligibility criteria relating to the maximum age of FTE staff supported through the CSP, Indecon recommends that the age level set should be aligned with the statutory retirement age. Other existing eligibility criteria on aspects such as the minimum wage should also be continued into the new Programme.

5.   FOR PROJECTS FOCUSED ON ENHANCING SOCIAL INCLUSION AND SUPPORT FOR SUSTAINABLE COMMUNITIES, RESOURCE PRIORITISATION SHOULD BE INFORMED BY LEVELS OF SOCIAL DISADVANTAGE.

In order to ensure that individuals most in need are supported, it is important that scarce resources are targeted. Indecon recommends that for those projects focussed on supporting marginalised communities or disadvantaged individuals, prioritisation should be informed by evidence on the existing levels of social exclusion in different areas. This should be informed by reference to Pobal's deprivation index.

6.   A STREAMLINED APPLICATION PROCESS IS RECOMMENDED.

There are four stages of the CSP application and approval process. In the first stage, an organisation seeking support under the CSP submits an Expression of Interest application directly to the Department of Rural and Community Development, who then passes this on to Pobal for appraisal. The Department makes the final decision whether to proceed further, informed by a recommendation from Pobal. Following this, Stage 2 involves planning supports provided by Pobal to support an organisation develop a Business Plan. Organisations may then be invited to submit a business plan right away, or advised and supported to develop certain aspects of their service before they are ready to submit. During this process some organisations decide not to pursue CSP support. Stage 3 involves the preparation and submission of a business plan. Finally, under Stage 4, Pobal assesses this business plan and makes a recommendation to the Department regarding a potential CSP contract, with the Department making the final decision.

While having the potential to secure advice from Pobal is of value to some organisations, and while this might entail a process involving an EOI and subsequent submission of a business plan, Indecon believes there should also be an option whereby organisations that meet defined criteria could directly submit an application and business plan to Pobal as part of a fast-track appraisal process. Overall, we believe that applications should be submitted directly to Pobal and we do not see any requirement for the Department to be involved in the decision/approval process once clearly defined objective criteria are set and are implemented on a consistent basis by Pobal.

We also accept the importance of having an objectively-based and robust appeals process, and we note that a procedure currently exists whereby the outcome of any appeal review is considered by the Department. However, in line with best practice in relation to good governance, consideration should be given to an appeals process which is separate from the funding approval process.

Overall, Indecon believes that a much more simplified application and approval process would reduce administrative costs, improve transparency and expedite decisions. A more streamlined approach is particularly appropriate given the limited scale of financial assistance provided in many cases.

7.   FACILITATION OF INVESTMENT IN SKILLS SHOULD BE INTEGRATED INTO THE NEW PROGRAMME.

Indecon recommends that the new Programme should facilitate investment in skills. This should include allocation of funding, subject to Pobal assessment and recommendation on individual organisation needs, and ensuring no potential duplication with SICAP and other funding channels, to support capacity-building and training in governance and in other skills required to ensure sustainable organisations. This applies to organisation boards, as well as managers and FTE staff. This recommendation is consistent with the objective, as set out under the Government's new strategy for the Community & Voluntary sector[5], to strengthen governance and operational capacity in organisations.

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[5] [5] 'Sustainable, Inclusive and Empowered Communities' – a five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024 – Op. Cit.

8. **THE DEPARTMENT OF RURAL AND COMMUNITY DEVELOPMENT SHOULD EXPLORE THE SCOPE FOR ALTERNATIVE APPROACHES TO SUPPORTING SPECIFIC AREAS.**

Currently there are a range of activities that CSP does not support, where these are seen as being more appropriately funded by other sources. This is a sensible policy, but in some cases, this approach only applies to new entrants, while existing organisations continue to be funded by the Programme. In many cases, however, activities were originally funded by the CSP prior to the establishment of other Government Departments who now have primary responsibility for the relevant areas. Examples of such legacy areas include childcare services, which would in Indecon's view be more appropriately funded by the Department of Children and Youth Affairs, and energy efficiency initiatives, which would now be more appropriately supported by the Department of Communications, Climate Action and Environment. Reviewing the responsibility for specific areas across Government Departments, to ensure that they are supported by the most relevant departments where these areas are a primary focus, would likely enhance outcomes and ensure that learning from CSP activities inputs to wider policy-making. It would also ensure that organisations could potentially benefit from a wider range of supports. This review should include identifying areas of activity that are not currently supported by the CSP but which could be taken within the remit of the Programme/DRCD, as well as legacy activities which would be more appropriately supported by other Government Departments. It is important, however, in examining the scope for potential re-organisation of funding supports across Government Departments, that the added-value contribution of individual organisations is not overlooked.

9. **A PERCENTAGE OF OVERALL ANNUAL FUNDING SHOULD BE ALLOCATED TO FACILITATE A PERIODIC CALL FOR PROPOSALS.**

The existing CSP programme has very few exits or new entrants. This is not aligned with best practise in ensuring supported organisations are incentivised to perform and is inconsistent with facilitating innovation and new entrants. Given the dependence of the existing CSP organisation on funding and the limited resources available, this is a challenge for the Programme. Indecon however recommends that a percentage of funding, from within existing budgets, should be allocated to a periodic call for proposals. Existing as well as new entrants should be permitted to apply, where they meet eligibility criteria. Varying the duration of individual contracts, by releasing funding on a more frequent basis, would also facilitate the introduction of a periodic call for proposals and would enable funding to be provided to new entrants.

10. **SIGNIFICANT ENHANCEMENTS ARE RECOMMENDED TO SUPPORT MONITORING AND EVALUATION.**

Indecon is very conscious of the need to minimise the administrative burden on small community and social enterprises. However, it is important that a limited amount of calibrated information is obtained to ensure effective monitoring and evaluation. Indecon believes that it is in the interest of the community and voluntary sector as well as policymakers that there is effective monitoring and that the impacts of the Programme are demonstrated. Indecon has concluded that the existing monitoring and evaluation are not adequate. This will require the development of appropriate Programme Logic Model (PLM) framework, and the collation of additional evidence on programme inputs, activities, outputs, results and impacts of measures. It will also require the setting of appropriate programme- and sub-programme-level Key Performance Indicators (KPIs) and associated targets (see further below). All of these issues should be addressed in a reformed and restructured programme, and will assist the Department in having a better evidence base to inform policy.

11. **NEW PERFORMANCE INDICATORS SHOULD BE ESTABLISHED.**

Indecon recommends that an appropriate system of performance indicators should be established to support ongoing monitoring and evaluation of the CSP. These indicators should form part of appropriate Programme Logic Models that are tailored to the specific features and requirements of each of the proposed sub-programmes/strands.

For the proposed sub-programme focussed on improving the <u>utilisation of existing community infrastructure</u>, Indecon recommends that these indicators should include:

- Number of individuals per annum using infrastructure.

- Number and extent of usage of community groups utilising the facilities.

- Qualitative survey evidence on the value of infrastructure to users. To ensure consistency and objectivity, and to minimise administrative/costs for organisations, this survey should be designed by Pobal and undertaken by supported organisations. However, the merits of Pobal undertaking a separate, independent survey every 2-3 years should also be considered.

- Profile of users.

For the proposed sub-programme focussed on <u>provision of community services</u>, performance indicators could include:

- Number of individuals benefiting from service provision.

- Annual levels of services provided by nature of service.

- Qualitative evidence on the impact and value of services provided.

For the proposed sub-programme on <u>social enterprises</u>, Indecon recommends that performance indicators should include:

- Number of new social enterprises supported.

- Employment generated in social enterprises assisted.

- Number of social enterprises in the Programme achieving or improving their financial viability.

- Qualitative evidence on the impact and value of goods/services provided.

Indecon also recommends that targets are set for the horizontal objective of the Programme to achieve increased employment for disadvantaged groups. Indecon recommends that these should include:

- Number of job opportunities provided for individuals most distant from the labour market, including separate monitoring of employment of individuals in groups/categories including, but not limited to, persons with disabilities, Travellers, people with criminal convictions and recovering drug users.

- Number of long-term-unemployed provided with job opportunities.

- Progression to non CSP employment of individuals assisted which would support wider community development.

Overall Conclusion

The CSP supports community-based organisations to deliver social, economic and environmental services that tackle disadvantage. It is focused on areas where the provision of services by the public and private sectors is low or lacking, due, for example, to such areas being geographically or socially isolated or having a level of demand that is not sufficient to support the market-based provision of such services.

Indecon's detailed examination indicates that the CSP has many strengths and has benefited local communities in a number of ways, including:

- The programme delivers a total of €43 million in funding support across 413 organisations across the State (as of October 2019);

- These organisations provide a diverse range of valuable community and social services, while they also employ almost 2,000 staff nationally, including individuals from a range of disadvantaged groups;

- An important result of the programme is in relation to how it supports the provision of services to marginalised groups that would not otherwise have been provided;
- The reach of the CSP in local communities is evidenced by the data of footfall, which indicates that a total of 14.6 million people availed of CSP-supported community halls and other service facilities during 2018;
- The benefits of the CSP are facilitated through the programme's use of multi-annual funding contracts, which provide greater certainty for organisations to engage in longer-term planning.

The CSP has evolved since its inception in 2006, and the external environment and government priorities have changed considerably. There is now an opportunity to build on the programme's achievements, while also ensuring alignment with the Government's new strategy for the Community & Voluntary Sector[6] and new National Social Enterprise Policy. In this context, it is hoped that the evidence, analysis and recommendations in this report will assist policymakers, in consultation with community & voluntary organisations and social enterprise stakeholders, to design a more cost-effective programme that will maximise its impact in helping to build sustainable communities and reducing social disadvantage.

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[6] 6 'Sustainable, Inclusive and Empowered Communities' – a five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024 – Op. Cit.

1 Introduction and Background

1.1   Introduction

This report is submitted to the Department of Rural and Community Development by Indecon research economists.   The report represents an independent, evidence-based review of the Community Services Programme (CSP).   Indecon was appointed following a competitive tender process to conduct this review.

1.2   Background to Research

The background to this review is that the CSP supports community-based organisations to deliver social, economic and environmental services that tackle disadvantage. It is focused on areas where the provision of services by the public and private sectors is low or lacking due to such areas being are either geographically or socially isolated or having a level of demand that is not sufficient for the provision of such services.

The CSP has emerged from the former Social Economy Programme.   Following transfer of responsibility for this programme from the (former) Department of Enterprise, Trade and Employment to the (former) Department of Community, Rural and Gaeltacht Affairs in January 2006, the emphasis of the programme shifted from being a labour market activation/training initiative to an approach focused more on enabling community-based organisations to meet service gaps and provide essential services that would not otherwise be available in local communities.   Reflecting this change in emphasis, the name of the programme was changed to the Community Services Programme.

In mid-2010, during the economic downturn, the CSP was transferred from the then Department of Community, Equality and Gaeltacht Affairs to the former Department of Social Protection, where the focus became, once again, activation, as that Department had responsibility for functions relating to employment and community services, at that time.

The consolidation into a new Department of both policy and direct supports in respect of community and rural development provided the means for a greater focus on creating vibrant and sustainable communities and, in line with that aim, the Community Services Programme was transferred to the new Department of Rural and Community Development (DRCD) from the Department of Employment Affairs and Social Protection (DEASP) on 1 January 2018.

The CSP is based on a co-funding model, with State support used to make a contribution towards the cost of employing a manager and/or a specified number of full-time equivalent positions (FTEs), with the community-based organisation being expected to generate income to meet the other costs associated with the delivery of services. This model has the potential to leverage public funds and to achieve value for money for scarce Exchequer resources.   However, this presents challenges for a cohort of community organisations providing services to marginalised groups where they do not have options to generate significant trading income.

The annual co-founding contribution towards employing each FTE position is €19,033, while that for employing a manager is €32,000, based on each position working a minimum of 39 hours a week.[7]

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[7] Where managers are contracted for less than 39 hours per week, the CSP co-funding contribution is reduced on a pro rata basis – if this is acceptable to Pobal. If the contribution towards the salary of a manager is also received from another source of funding (e.g. PEACE project), there is no impact on the payment of the CSP Manager's contribution once the project in question can be aligned to the objectives of the organisation and its CSP funded project.

The organisations supported come under one of the three categories outlined in Table 1.1, depending on whether they operate community halls and facilities (Strands 1 and 1s); provide local services for disadvantaged communities (Strand 2); or provide employment for specific disadvantaged groups (Strand 3).

Table 1.1: Categories (Strands) of CSP Service Providers	
Strand	**Description**
Large Community Halls/Facilities (Strand 1); Small Community Halls/Facilities (Strand 1s)	Services which are open to the general public rather than serving a defined client base. Examples: community centres, theatre and arts centres and sports and leisure centres
Community Services for Disadvantaged Communities (Strand 2)	Organisations that provide services to local, regional and national geographical communities or especially, to disadvantaged communities. While these are focused on providing services to disadvantaged groups, including older people, people with disabilities and Travellers, providers may target a wider range of disadvantaged groups and communities. Examples: home insulation, repair and maintenance for the homes of older people and people with disabilities; transport for people with disabilities; meals-on-wheels; community radio stations and other forms of community media.
Companies Employing People that Are Distant from the Labour Market (Strand 3)	Organisations that operate social enterprises that provide employment for specific disadvantaged groups namely Travellers, people with disabilities, stabilised and recovering drug misusers and people with convictions who are in contact with the probation service, and other groups as determined by the Programme. The aforementioned groups must make up 70% of the CSP-supported FTEs (i.e. 70% of the CSP contracted hours per week) in the Strand 3 organisation. The providers in this category must have the twin objectives of delivering services while also creating employment opportunities for specific disadvantaged groups. Examples: Re-use and recycling businesses, craft businesses, grounds maintenance and security services, horticulture and food production businesses.
Source: CSP Operating Manual 2019	

The aim of the CSP is to support legally incorporated community organisations (companies limited by guarantee) and industrial and provident societies (co-operatives) in order for them to use what is referred to as a social enterprise model of delivery to provide local social, economic and environmental services.

The objectives of the CSP are:

❑ To promote social enterprise as an approach to alleviating disadvantage and addressing local social, economic and environmental needs which are not being met through public or private funding or other resources.

❑ To create sustainable jobs for those most distant from the labour market, in particular for those who are long-term unemployed and from specific target groups.

❑ To promote sustainable social and economic development.

❑ To enable service providers to lever additional public investment to improve facilities and services.

❑ To strengthen local ownership through participation in decision making.

❑ To support social innovation and encourage sharing of learning and expertise between participating service providers.

It is important to note that the CSP is different to active labour market programmes supported by the Department of Employment Affairs and Social Protection, such as the Community Employment Programme. The main differences between the CSP and active labour market programmes are summarised in Table 1.2. Whereas the latter are focused around labour market outcomes for their participants, the CSP's primary focus concerns service delivery to disadvantaged communities and target groups. Therefore, while the CSP facilitates the creation of paid employment positions it *is not* a welfare payment, or an add-on to a welfare payment, something that sets it apart from other programmes.

Table 1.2: Differences between the CSP and Active Labour Market Programmes		
	Community Services Programme	**Active Labour Market Programmes**
Purpose	Primarily focused on service delivery to paying customers	Primarily focused on individuals seeking re-entry to the labour market
Ethos	Social enterprise model	Employment activation and income support model
Employment	Availability of full-time positions of indefinite duration	Part-time placements that are generally limited in duration
Payment	Annual salary agreed with employer, expectation to pay market rates and living wage where possible	Top-up to existing DEASP Jobseekers payment
Source: CSP Operating Manual 2019		

1.3   Methodological Approach to Review

This research summarised in this report was undertaken using a comprehensive methodological approach and associated work plan. This included:

- Review of Existing Policy Documentation;
- Analysis of Detailed Performance Indicators;
- Examination of Services Provided;
- Review of International Experience;
- Analysis of other Available Data;
- Extensive Stakeholder Engagement;
- New Survey Work with Beneficiary Organisations; and
- New Survey Work with Staff in Supporting Organisations.

New Primary Research

In view of gaps in available evidence, Indecon completed detailed new primary research. This research included of surveys of the following groups:

❑ Survey of CSP-supported organisations – Managers (or chairpersons where there was no manager): This survey examined, *inter alia*, the role of CSP funding, views on the impacts of the CSP, views on CSP eligibility criteria, application and contract governance requirements, and ways in which the Programme could be improved. Responses were received from 191 CSP organisations. The high level of responses reflects the interest and significance of the Programme for the community and voluntary sector.

❑ Survey of staff in CSP organisations – FTE Staff: This survey examined, *inter alia*, staff perspectives on the wider impacts of the CSP, the impacts on individuals' career and personal development, and views on ways in which the Programme could be improved. Responses were received from 348 staff.

Stakeholder Engagement

As part of the review, Indecon invited a series of relevant stakeholders to make submissions with regard to the main objectives, operation and impact of the CSP. Regional Stakeholder Forums were also organised. We also had the benefit of insightful inputs from an advisory group.

International review

The CSP has a range of distinctive features which includes a number of best practice measures of programmes internationally. These include the tripartite focus on attending to market failures in communities (i.e., where the provision of a service is lacking due to the private or public sectors not meeting demand); creating social enterprises that can be commercially viable; and providing employment to those from disadvantaged communities. Examples of other programmes reviewed internationally include:

❑ UK: Social Incubator Fund; Big Society Capital Fund; Social Outcomes Fund; Social investment tax relief; Aspiring Communities Fund; and Investing in Communities Fund;

❑ Belgium (Flanders): SINE (Sociale Inschakelingseconome);

❑ Czech Republic: OPHRE Scheme (Social Economy);

❑ New Zealand: Community Organisation Grants Scheme; Community Development Scheme; Community Internship Programme; Youth Worker Training Scheme; and

❑ Australia: Grants SA scheme; Tasmanian Community Fund; My Community Project.

Indecon notes that the CSP has some similarities also to a number of initiatives that have been implemented in Scotland and other parts of the UK. These include "community anchors" models. These have some similarities to the Irish CSP in terms of helping disadvantaged communities and providing services where the public and private solutions have failed to meet provision. A recent report has defined as "community anchors" community organisations that have the following three aspirations:[8]

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[8] Henderson, J., Revell, P. and Escobar, O. 2018. Transforming Communities? Exploring the Roles of Community Anchor Organisations in Public Service Reform, Local Democracy, Community Resilience and Social Change.

❑ Community led or controlled: the organisation has robust local community governance and connections with community networks as well as financial self-sufficiency for core work sustained through community ownership.

❑ Holistic, multi-purpose or inherently complex: the organisation is concerned with the local economic and social capital, local leadership and advocacy and community sector development, among other things.

❑ Responsive and committed to local community and context: the organisation responds to its context e.g. urban, rural, remote, or concerned with experiences of poverty, deprivation and inequality.

Further details of a number of schemes in other countries are included in Annex 1. Indecon's analysis of international experience suggests that there is no one appropriate model and each country has designed programmes to address specific targeted needs. The CSP has been developed in a manner which takes account of elements of international best practice, although major reforms to the Programme are now required.

1.4   Report Structure

The remainder of the report is structured as follows:

❑ Section 2 sets out the background and context of the CSP;

❑ Section 3 examines the nature, range and diversity of CSP organisations;

❑ Section 4 reviews the role and structure of CSP funding;

❑ Section 5 considers the impact of the CSP on communities;

❑ Section 6 provides examines the impact of the CSP on job opportunities career progression;

❑ Section 7 provides an overview of the eligibility, application process and governance; and

❑ Section 8 sets out Indecon's recommendations and overall conclusion from the review.

1.5   Acknowledgements and Disclaimer

The usual disclaimer applies and responsibility for the analysis and findings in this independent report remains the sole responsibility of Indecon.

2 Background and Context

2.1 Evolving Demographic and Labour Market Context

Since the CSP was designed there have been major economic and social changes in Ireland. The CSP is focused on communities where public and private sector services are lacking due to either social or geographical isolation or because levels of demand are not sufficient in those areas. Against this background it is important to examine changes in demographics and in the labour market. Table 2.1 shows that Ireland has become more urbanised over the last two decades, with the proportion of the population that is living in urban areas increasing from 58% in 1996 to 63% in 2016. While overall population in rural areas has increased, the proportion of the population in rural areas has experienced a continued decline.

Table 2.1: Population Share in the Aggregate Town and Rural Areas (1996-2016)					
	1996	**2002**	**2006**	**2011**	**2016**
Total Population (Number – 000s)	3,626.1	3,917.2	4,239.8	4,588.3	4,761.9
Aggregate Town Area (Number – 000s)	2,108.0	2,334.3	2,574.3	2,846.9	2,985.8
Aggregate Rural Area (Number – 000s)	1,518.1	1,582.9	1,665.5	1,741.4	1,776.1
Percentage of population in Aggregate Town Area (%)	58.1%	59.6%	60.7%	62.0%	62.7%
Percentage of population in Aggregate Rural Area (%)	41.9%	40.4%	39.3%	38.0%	37.3%
Source: CSO Census data					

While the CSP is not an active labour market programme, one of its stated objectives was to create sustainable jobs for those most distant from the labour market, in particular for those who are long-term unemployed and from specific target groups. Figure 2.1 shows the trends in the number of individuals in Ireland that were unemployed. The overall levels of unemployment and the proportion of long-term unemployment have declined sharply. High levels of unemployment, however, remain in some communities and among those with educational or social disadvantages.

Figure 2.1: Unemployment Levels, Q1 2004 – Q1 2019 (Ages 15 and Over) – '000 Persons

Source: Indecon Analysis of CSO Labour Force Survey Data.
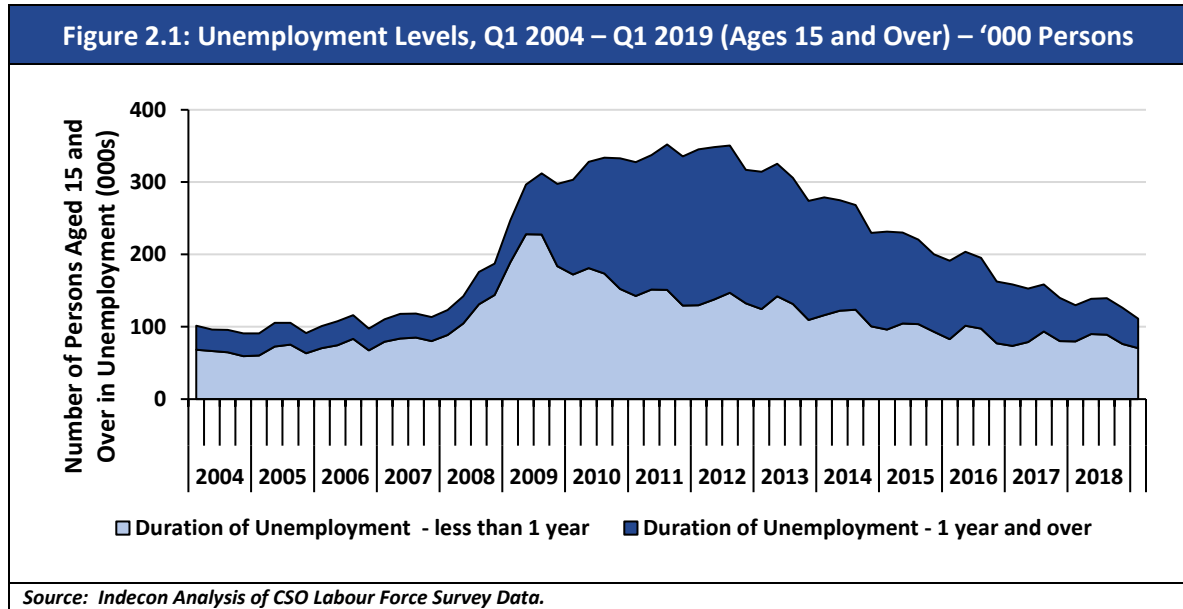
Figure 2.2 presents the unemployment rate for those aged 15 and over in Ireland disaggregated by the duration of unemployment. By the start of 2019, the unemployment rate had declined to 5.0%.

Figure 2.2: Unemployment Rates, Q1 2004 – Q1 2019 (Persons Aged 15 and Over) - %

Source: Indecon Analysis of CSO Labour Force Survey Data.
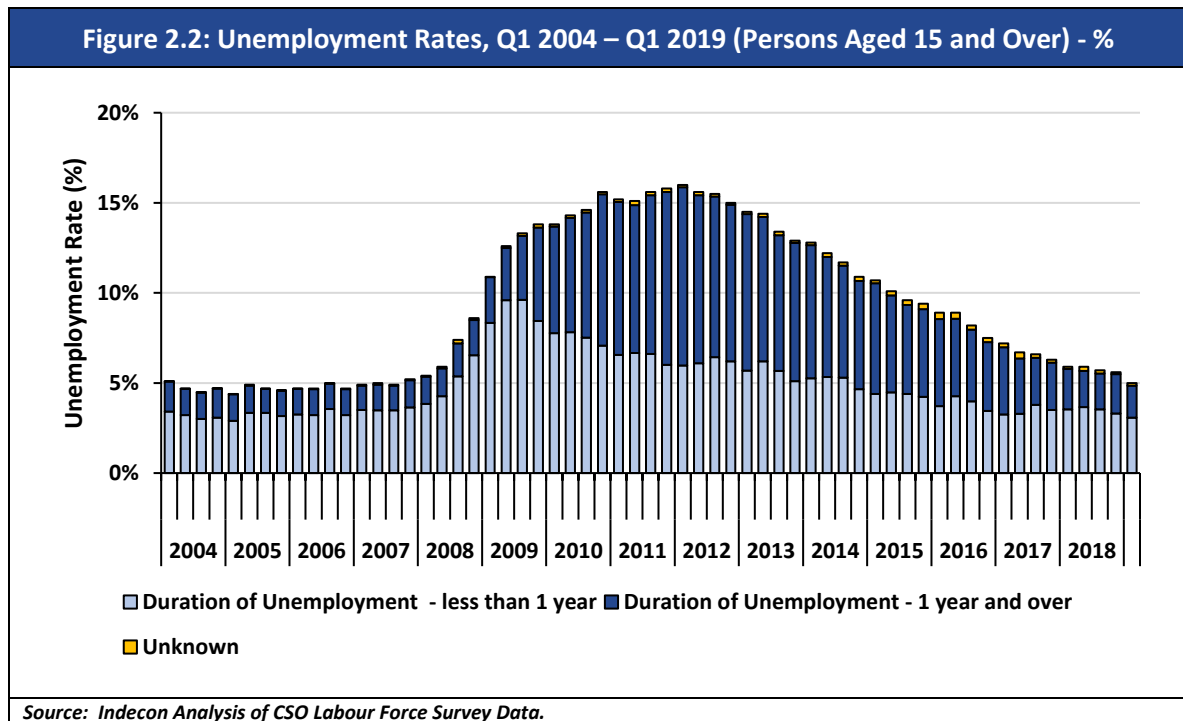
Figure 2.3 presents the unemployment rates for the population aged 15 to 74 in each Irish region. By Quarter 1 2019, the Midlands' unemployment rate had declined to 6.2%, while Dublin's had declined to 4.4%.

Figure 2.3: Unemployment Rates by Region, Q1 2012 – Q1 2019 (Ages 15-74)

Source: Indecon Analysis of CSO Labour Force Survey Data.
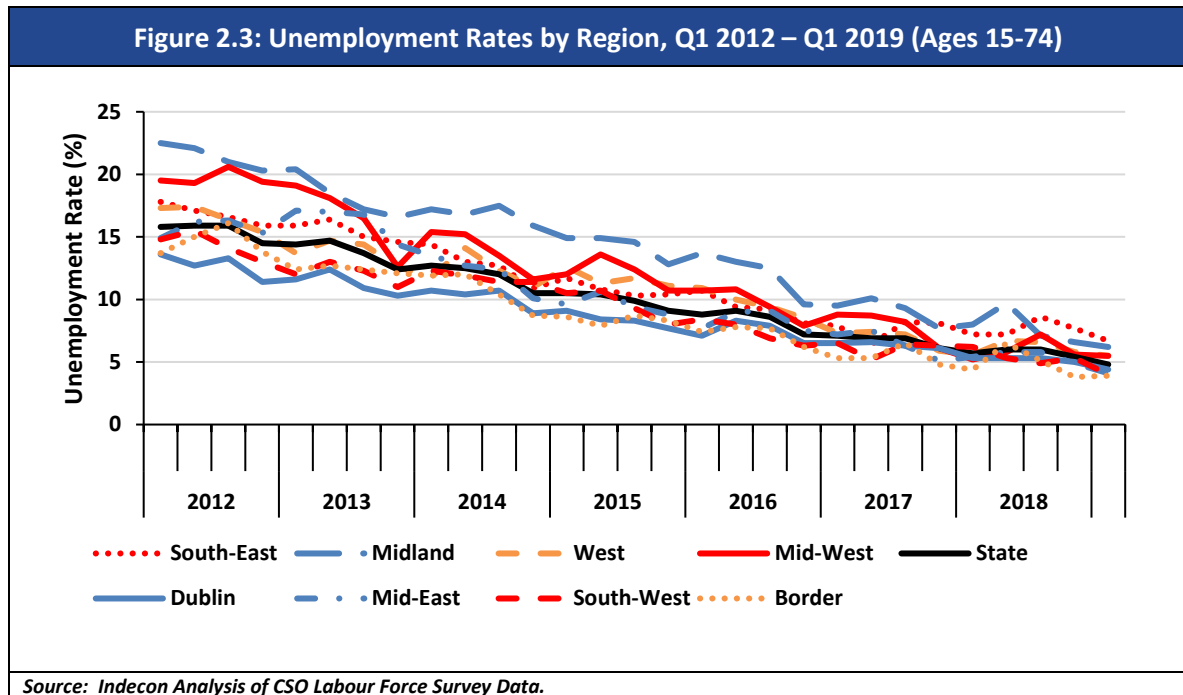
The improvements in the Irish labour market are evident from the data in Figure 2.4 which presents the number of people in employment. In recent years employment has recovered strongly, increasing to 2.30 million in 2019.

Figure 2.4: Number of Persons in Employment (Persons aged 15+) – 2004-2019

Source: Indecon Analysis of CSO Labour Force Survey Data.

One of the objectives of CSP funding is that individuals from targeted disadvantaged groups should make up at least 70% of CSP-funded FTE positions (excluding the manager's position). This includes individuals from groups who traditionally have experienced poor employment outcomes such as individuals in receipt of disability payments, Travellers, recovering drug users and people with criminal convictions.

An important target group for the CSP is individuals in receipt of Disability Allowance, the Invalidity Pension or the Blind Person's Pension. Figure 2.5 shows that this group has grown by 27.6% since 2008, and accounts for 192,700 individuals.

Figure 2.5: Number of Individuals in Receipt of Selected Welfare Benefits, 2008-2017

Source: Indecon Analysis of DEASP Data.
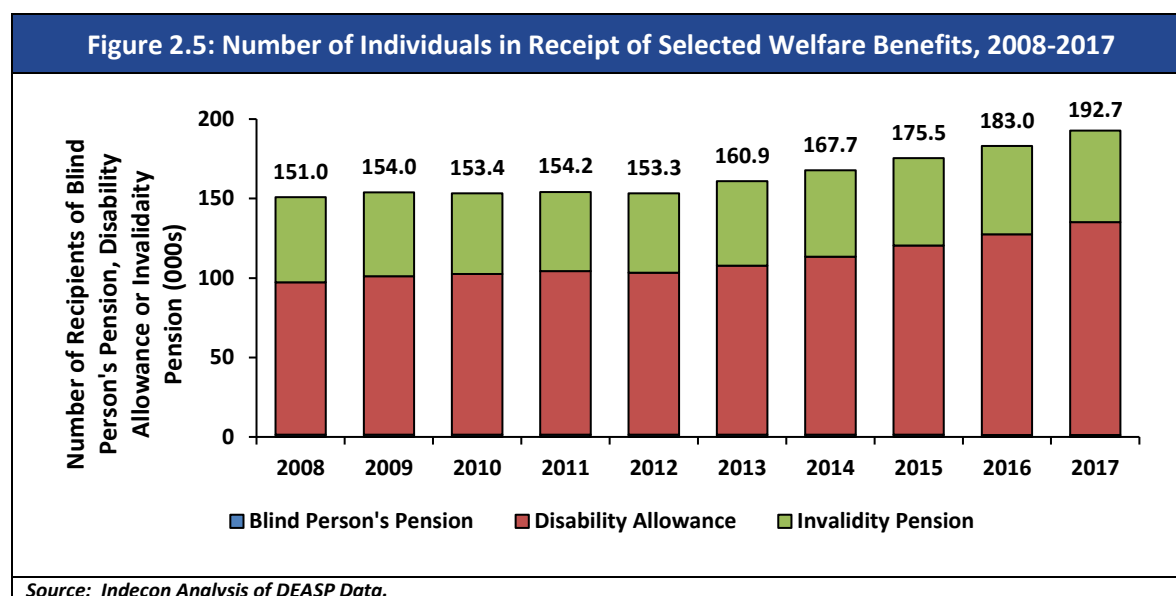
Table 2.2 displays the labour force status of member of the Travelling community in Ireland aged 15 and over as recorded in Census 2011 and 2016. There is a very high incidence of unemployment among Travellers, with unemployment rates of 80.0%.

Table 2.2: Irish Travellers Aged 15 Years and Over by Employment Status		
	2011	**2016**
Population aged 15 years and over (Number)	17,409	18,742
Employer or own account worker (Number)	232	219
Employee (Number)	1,301	1,906
Assisting relative (Number)	29	17
Unemployed having lost or given up previous job (Number)	822	748
Looking for first regular job (Number)	7,589	7,802
Unemployment Rate (Rate)	84.3%	80.0%
State Unemployment Rate (Rate)	*19.2%*	*13.0%*
Population not in labour force (Number)	7,436	8,050
Labour force participation rate (Rate)	57.3%	57.0%
State labour force participation rate (Rate)	*61.9%*	*61.4%*
Source: Indecon presentation of CSO Census data		

2.2   Consistent Poverty

One of the objectives of CSP is to help alleviate disadvantage and to provide services to disadvantaged communities. In this context it is useful to review the changes in the percentages of individuals in consistent poverty. There has been recent improvement but significant numbers of individuals continue to face consistent poverty.

Figure 2.6: Percentage of Individuals in Consistent Poverty

Source: Indecon analysis of CSO SILC Data
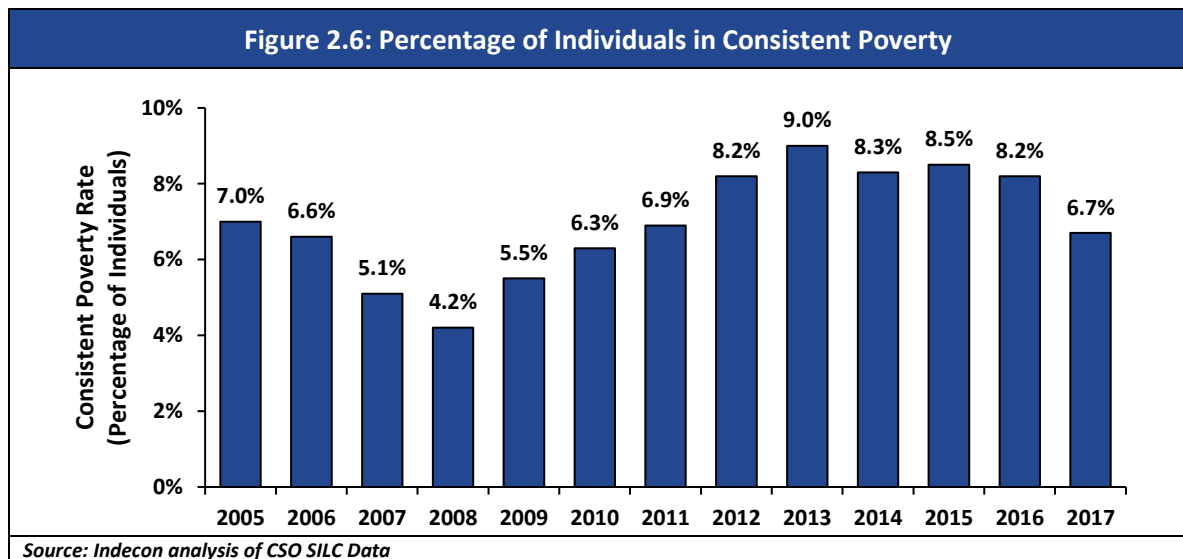
Indecon notes that despite the transition into or out of consistent poverty, over 39.7% of those in constant poverty in 2016 have remained in poverty.

Figure 2.7: Transitional Analysis of Being in Consistent Poverty

Source: Indecon analysis of CSO SILC data
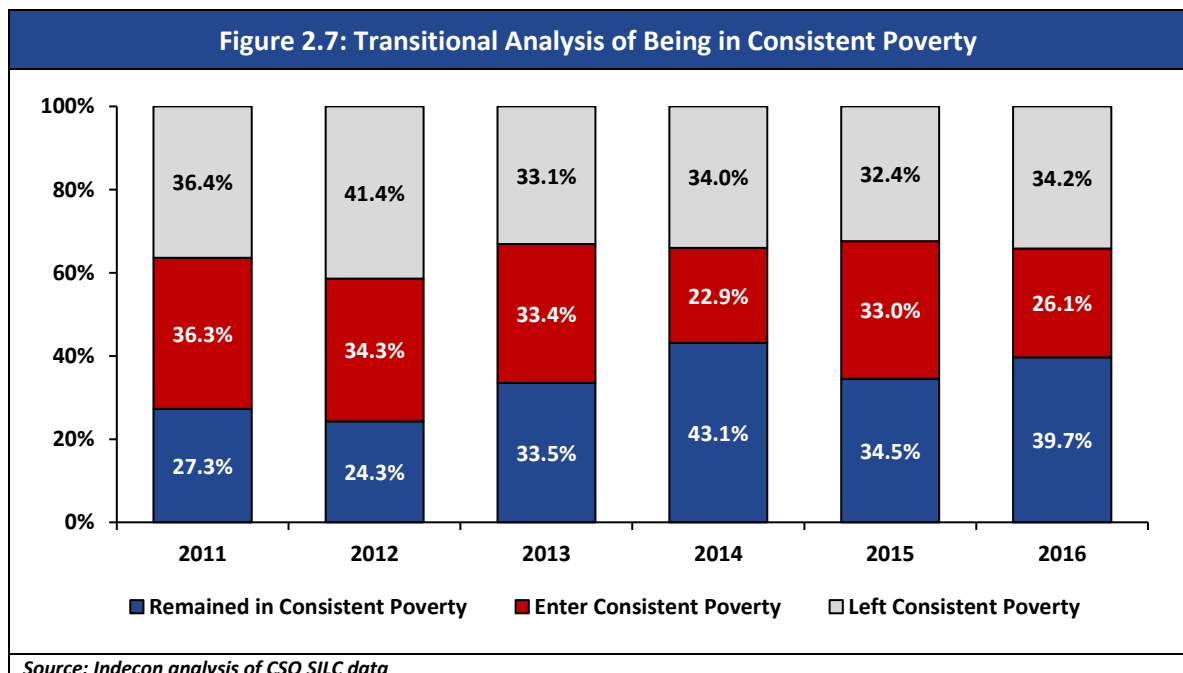
2.3   Summary of Findings

❑ Since the CSP was designed there have been major economic, demographic and social changes in Ireland. In recent years there has been a decline in the consistent poverty rate in both urban and rural areas and the lowest incomes deciles saw larger increase in incomes. However, many households remain in consistent poverty.

❑ There has been an increase in urbanisation and a decline in the percentage of population in rural areas.

❑ Long-term unemployment peaked in 2012 and the overall levels of unemployment and the proportion of long-term unemployed have fallen significantly.

❑ High levels of unemployment remain in some communities and among those with educational or social disadvantages.

3 Nature and Diversity of CSP Organisations

3.1 Number and Size of CSP-supported Organisations

The Programme is divided into a number of categories which are termed strands. Strand 1 involves funding for large community halls and there is a separate strand (Strand 1s) for small community halls. Strand 2 involves services for disadvantaged areas and Strand 3 supports services employing disadvantaged groups. Supported CSP organisations per 10,000 population are more heavily concentrated in rural counties than in urban areas.

Figure 3.1: Number of Organisations Supported by the CSP, 2014-2019

Source: Indecon analysis of Pobal data
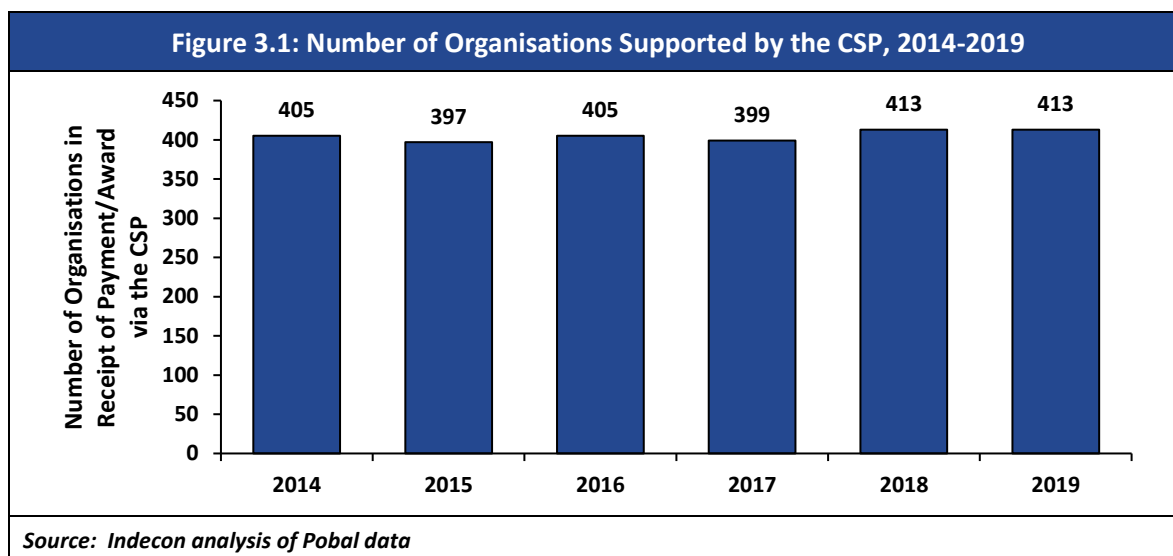
Figure 3.1 shows that, as of October 2019, the CSP supported a total of 413 organisations between the different strands. In considering the appropriateness of the distribution of funding across the different strands, it should be noted that any amendments would impact on existing organisations who currently receive funding. Indecon's analysis suggests that, rather than considering changes in the distribution of funding at a macro level, new strands should be developed to better align with the Department's objectives. Indecon's analysis has indicated the extent of variance in nature, scale and activity of organisations supported. In 2019, 254 of the organisations supported operated community halls or similar infrastructure and 117 provided services to local communities. Examples of services provided include supports for children and older persons including day care facilities, delivery of meals, launderette services, transport and IT supports for schools. An important issue for the reform of the Programme is how to adjust the Programme to take account of the diversity of the organisations assisted.

Table 3.1: Number of Organisations by CSP Strand (2014-2019)						
Strand	**2014**	**2015**	**2016**	**2017**	**2018**	**2019***
Strand 1 – Large Community Halls	147	152	154	154	156	159
Strand 1s – Small Community Halls	100	92	91	91	95	95
Strand 2 – Services for Disadvantaged Areas	128	125	132	126	121	117
Strand 3 – Services Employing Disadvantaged Groups	30	28	28	28	41	42
Total	**405**	**397**	**405**	**399**	**413**	**413**
Source: Indecon analysis of POBAL data						
* Figures for 2019 relate to the position as at 1st October.						

Table 3.2 shows the number of organisations under each strand as a percentage of the total number of CSP organisations, from 2014 to 2019. The largest number of organisations supported are community halls.

Table 3.2: Organisations by CSP Strand (2014-2019) - %						
Strand	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Strand 1 – Large Community Halls	36.3%	38.3%	38.0%	38.6%	37.8%	38.5%
Strand 1s – Small Community Halls	24.7%	23.2%	22.5%	22.8%	23.0%	23.0%
Strand 2 – Services for Disadvantaged Areas	31.6%	31.5%	32.6%	31.6%	29.3%	28.3%
Strand 3 – Services Employing Disadvantaged Groups	7.4%	7.1%	6.9%	7.0%	9.9%	10.2%
Source: Indecon analysis of POBAL data						

Turnover among CSP-supported organisations

As indicated in Table 3.3, there is a very low rate of turnover (entry/exit) of CSP-supported organisations. This raises an issue regarding the scope of existing funding to support new organisations/services, in relation to the impacts in the content of the Programme's objective of supporting social innovation.

Table 3.3: CSP-supported Organisations – Annual Exits and Entries of Organisations (2014-2018)					
	2014	**2015**	**2016**	**2017**	**2018**
New Entrants	4	11	15	2	28
Exits	16	12	5	18	5
Net Change	-12	-1	+10	-16	+23
New Entrants as % of Total	1.0%	2.8%	3.7%	0.5%	6.8%
Exits as % of Total	3.9%	3.0%	1.2%	4.5%	1.2%
Net Change as a % of Total	-3.0%	-0.3%	+2.5%	-4.0%	+5.6%
Source: Indecon analysis of POBAL data					

Employment supported

CSP-supported organisations employ almost 2,000 staff nationally, representing an average of 4.8 per organisation.

Table 3.4: Number of Managers and FTEs Supported by CSP (2014-2019)				
Year	No. of Managers	No. of FTE Staff	Total	Average Number of Staff
2014	292	1,697	1,989	4.9
2015	292	1,662	1,954	4.9
2016	303	1,686	1,990	4.9
2017	296	1,652	1,948	4.9
2018	301	1,650	1,951	4.7
2019	307	1,665	1,971	4.8
Source: Indecon analysis of POBAL data				

CSP-funded organisations are on average very small, although there is some variation of CSP organisations by strand as shown in Figure 3.2. Most CSP organisations have between two and eight employees.

Figure 3.2: Average Employment per Organisation by CSP Strand – FTEs per Organisation (2018)

Source: Indecon analysis of Pobal data
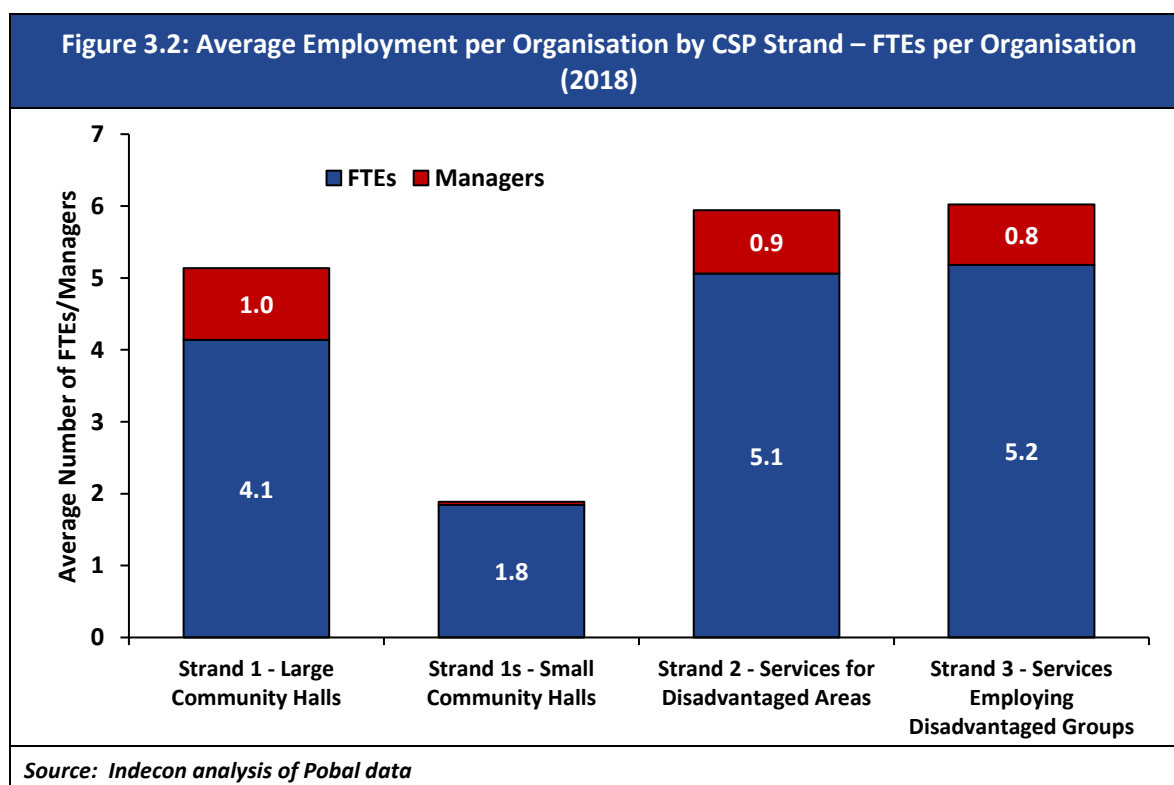
3.2   Nature and Diversity of CSP-supported Organisations

CSP-supported organisations deliver a very diverse range of services in local communities. This is evidenced by Figure 3.3, which provides a profile of organisations in the CSP by the types of services they provide. Community halls and resource centres account for over half of CSP organisations, while tourism and heritage; services for older people; and enterprise, education, learning and IT training account for 10%, 9% and 6%, respectively. Supporting such a wide array of services indicates the flexibility of the Programme, though this raises challenges in terms of ensuring the Programme is appropriately focused.

Figure 3.3: Services Supported by the CSP

Service	Percentage
Community Halls and Resource Centres	50%
Tourism and Heritage	10%
Other Services	10%
Services for Older People	9%
Enterprise, Education, Learning and IT Training	6%
Childcare	4%
Broadcasting	3%
Home Insulation and Environment Works	3%
Services for People with Disabilities	2%
Community Transport	1%
Therapeutic Services	1%

Percentage of CSP Service Providers

Source: Pobal, Draft CSP Annual Report 2018

To further illustrate the diversity of organisations funded by the CSP, organisations that received funding are disaggregated by subsector in Table 3.5. This is based on a review of CSP-supported organisations covered in the 'Benefacts' database of non-profit organisations and provides a more granular breakdown of activities.

Table 3.5: CSP Organisations that Received Funding Since 2014 by Benefacts Sub-Sector		
Sub Sector	**Number**	**%**
Local development	167	34.4%
Sports organisations	20	4.1%
Services for older people	18	3.7%
Heritage & visitor attractions	17	3.5%
Job creation	17	3.5%
Arts	15	3.1%
Media, Film	15	3.1%
Pre-school childcare	15	3.1%
Services for people with disabilities	14	2.9%
Youth services	11	2.3%
Family support services	10	2.1%
Adult & continuing education	8	1.6%
Social housing	8	1.6%
Social enterprise	6	1.2%
Environmental sustainability	6	1.2%
Vocational & technical education	4	0.8%
Environmental enhancement	4	0.8%
Museums & libraries	3	0.6%
Primary education	3	0.6%
Health services & health promotion	3	0.6%
Services for Travellers/ethnic minorities	3	0.6%
Secondary education	2	0.4%
Mental health services	2	0.4%
Emergency relief services	2	0.4%
Animal welfare	2	0.4%
Advocacy	2	0.4%
Religious associations	2	0.4%
Other*	10	2.1%
Not Matched	97	20.0%
Total	**486**	**100.00%**
Source: Indecon analysis, conducted by matching Pobal data on CSP Organisations to the database of Irish Non-profits collected by Benefacts. 80% of organisations could be matched in that process.		

In order to highlight the nature of organisations funded it is useful to consider the case study of Timpeallacht na nOilean which operates a waste management service in the Aran Islands. The organisation's services and impacts are presented overleaf. In other sections of the report, examples of different case studies are presented which demonstrate the diversity of the services provided.

Case Study 1: Timpeallacht na nOilean	
Overview of CSP-supported Service	Áthchúrsail Arann is a waste management and recycling service established in 2001 and based on the Aran Islands. Prior to establishment there was no waste collection service on the islands. Its services cater for an island population of 1,251 residents and 250,000 tourists (March to October season) on all three islands (a 275km^2 area). Among its recycling services is a composting service – in 2008 the company purchased a shredder for shredding food waste for its new pasteurisation system.
Role of CSP Support	Receives €165,231 from the CSP (additionally gets a €200,000 grant from Galway County Council), which accounts for 78% of its turnover. The company earned traded income of €100,000 which accounts for 22% of its turnover. The seven FTE staff and a manager are supported by CSP funding. Company acknowledges that *"without the ongoing continuation of this funding, this project would cease in a matter of months."*
Main Impacts/Benefits for Local Community	❑ Is the only waste management service on the Aran Islands. Helps meet environmental objectives and also assists tourism as a clean environment is important for visitors as well as local residents. Waste was previously brought to a landfill site – this site has since closed due to the recycling services offered by Athchursail Aran. ❑ Service provides a 5-day weekly collection service – prior to the formation of the company waste was only collected once a week which did not meet needs of businesses, schools and other organisations and resulted in burning and dumping of rubbish. ❑ A monthly collection of white goods and other large waste products is provided by Athchursail Aran – this arose out of consultation with the public and island population. The organisation conducts public meetings to see if there is a demand for services. ❑ Works with tidy towns committees on the Aran Islands to collect litter on beaches after winter storms and roadside litter as well as cutting of briars and trees along roads. ❑ Level of waste reduces in winter months (due to less tourism) and as a result employee can focus on environmental enhancements and upkeep.
Main Benefits for Employment	Service employs eight individuals. Provides an income to families to live on islands that are disadvantaged and helps sustain the local community.
Source: Indecon	

3.3 Geographic Spread of CSP-supported Organisations

Counties with a higher rural population tend to have more CSP-supported organisations per 10,000 population than counties with a higher urban-based population. This can be more formally expressed as a positive statistical correlation between the rurality of a county and the number of CSP organisations per 10,000 people. The strongest correlation in this case is for Strand 1 organisations, or community halls, which has a correlation coefficient of 0.65.

Figure 3.4: CSP Organisations by Strand and Rurality of Counties of Location (2018)

Source: Pobal, Draft CSP Annual Report 2018
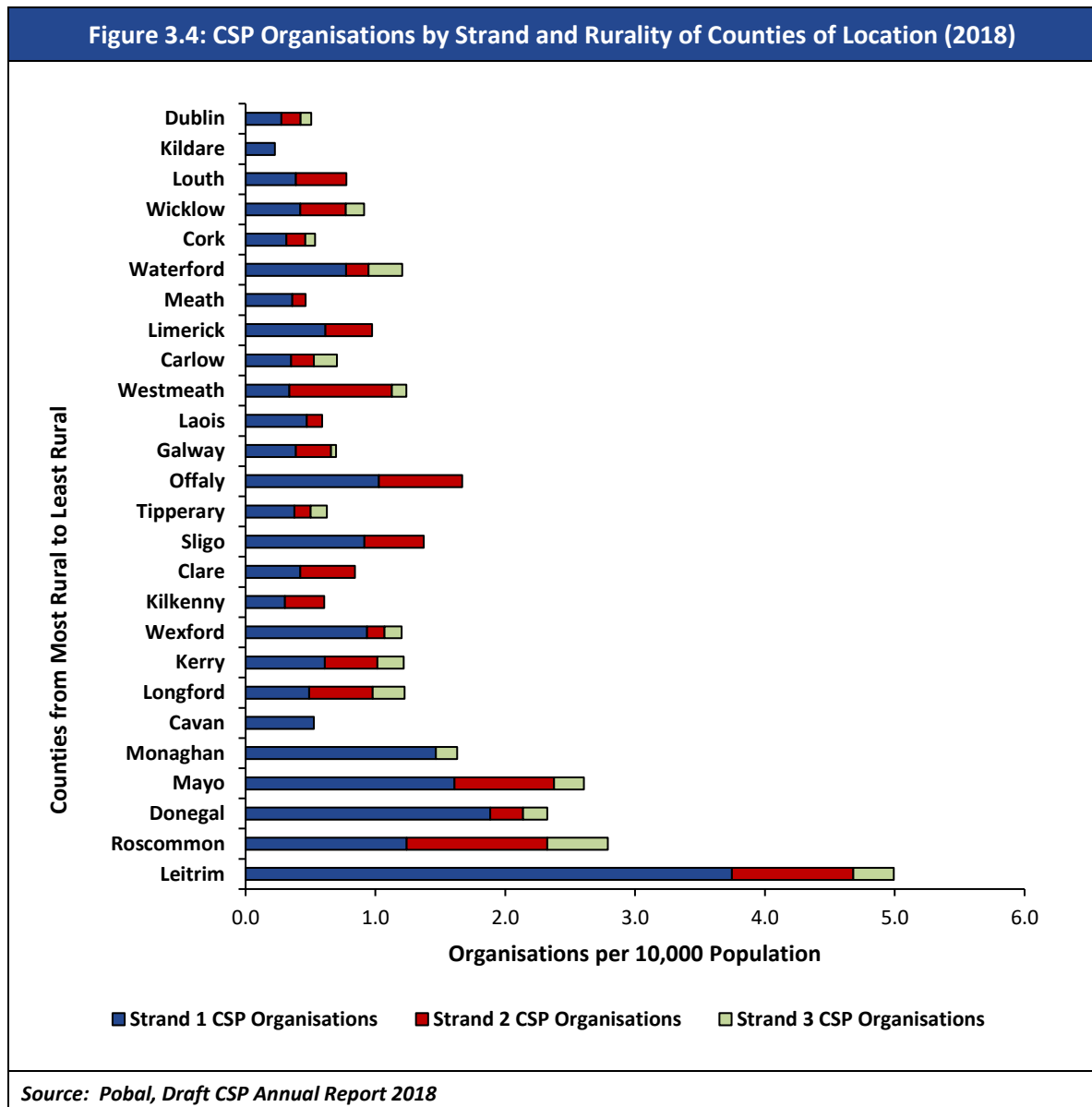
3.4   Summary of Findings

❑ The CSP is divided into a number of categories, which are termed strands. Strand 1 involves funding for large community halls and there is a separate strand (Strand 1s) for small community halls.   Strand 2 involves services for disadvantaged areas and Strand 3 supports services employing disadvantaged groups. Supported CSP organisations per 10,000 population are more heavily concentrated in rural counties than in urban areas.

❑ CSP-supported organisations employ almost 2,000 staff nationally, representing an average of 4.8 staff per organisation. Most CSP organisations have between two and eight employees.

❑ Indecon's analysis of the evidence indicates that there are low rates of entry and exit of organisations from the CSP. This has limited the scope of new organisations/services to gain entry to the Programme.

4 Role and Structure of CSP Funding

4.1 Trends in CSP Awards and Payments

Indecon has undertaken a detailed analysis of the role and structure of CSP funding. Table 4.1 shows the value of CSP awards from 2014-2019 and payments from 2014-2018. The overall value of CSP awards has been between €42 and €43 million annually since 2014.

Table 4.1: Value of CSP Awards (2014-2019) and Payments (2014-2018)				
Year	Awards		Payments	
	€ Millions	% Change	€ Millions	% Change
2014	42.4		41.0	
2015	41.7	-1.7%	40.6	-1.0%
2016	43.0	3.1%	41.7	2.7%
2017	41.8	-2.9%	40.4	-3.1%
2018	41.7	-0.2%	40.2	-0.5%
2019	43.1	3.4%		
Source: Indecon analysis of POBAL Data				

Table 4.2 disaggregates the annual CSP awards displayed in Table 4.1 by award type, namely FTE staff support awards, manager support awards, operational funding awards and support fund awards. It can be seen that most CSP awards are allocated to support FTE staff and managers employed in organisations, accounting for 96-98% of awards between 2014 and 2019. A small level of operational funding support is also provided in some cases in order to assist with specified and vouched overhead and running costs, while a separate support fund was extended in 2019 to provide top-up aid to qualifying organisations.

Table 4.2: Breakdown of CSP Awards by Type of Award, 2014-2019 (€ Millions)									
	FTE Support		Manager Support		Operational Funding		Support Fund		Total
	€ M	%	€ M	%	€ M	%	€ M	%	€ M
2014	32.3	76.0%	9.3	22.0%	0.8	2.0%	0.0	0.0%	42.5
2015	31.6	75.8%	9.3	22.4%	0.7	1.8%	0.0	0.0%	41.7
2016	32.1	74.6%	9.7	22.6%	0.7	1.6%	0.5	1.2%	43.0
2017	31.5	75.3%	9.5	22.7%	0.5	1.3%	0.3	0.7%	41.8
2018	31.4	75.4%	9.6	23.1%	0.5	1.2%	0.1	0.3%	41.7
2019	31.7	73.6%	9.8	22.8%	0.5	1.1%	1.1	2.5%	43.1
Source: Indecon analysis of Pobal data									

The percentage of awards allocated to Strand 1 and Strand 3 has increased from 39% to 43%, and 11% to 13% respectively, since 2014. The percentage allocated to Strand 2, Services for Disadvantaged Areas, has decreased from 42% to 36%.

Table 4.3: Value of CSP Awards by Strand, 2014-2019 (€ Million)										
Year	Strand 1 – Large Community Halls		Strand 1s – Small Community Halls		Strand 2 – Services for Disadvantaged Areas		Strand 3 – Services Employing Disadvantaged Groups		Total	
	€ M	%	€ M	%	€ M	%	€ M	%	€ M	%
2014	16.4	38.6%	3.8	9.0%	17.6	41.6%	4.6	10.9%	42.4	100
2015	16.9	40.5%	3.6	8.7%	16.8	40.4%	4.3	10.4%	41.7	100
2016	17.6	40.8%	3.7	8.6%	17.3	40.2%	4.4	10.3%	43.0	100
2017	17.5	41.8%	3.6	8.5%	16.3	39.0%	4.4	10.6%	41.8	100
2018	17.4	41.7%	3.5	8.5%	15.6	37.4%	5.2	12.4%	41.7	100
2019	18.4	42.8%	3.8	8.8%	15.4	35.7%	5.5	12.7%	43.1	100
Source: Indecon analysis of POBAL data										

Table 4.4 overleaf presents the value of CSP contracts, per county. In the table, counties are ordered by size of population. The evidence on awards indicates a wide geographical spread of funding to CSP-supported organisations.

Table 4.4: CSP Award Value, Organisations and Staff Numbers by County, 2019				
County	% Population (2016)	Award Value	Number of CSP Organisations	Number of CSP Staff	Average Award (€ '000s)
Dublin	28%	22%	16%	22%	138.5
Cork	11%	6%	7%	6%	86.9
Galway	5%	5%	4%	5%	109.8
Kildare	5%	1%	1%	1%	88.1
Meath	4%	2%	2%	2%	112.9
Limerick	4%	4%	5%	4%	80.8
Tipperary	3%	2%	2%	2%	68.1
Donegal	3%	8%	9%	8%	90.7
Wexford	3%	5%	4%	5%	127.3
Kerry	3%	4%	4%	4%	97.8
Wicklow	3%	4%	3%	4%	141.6
Mayo	3%	8%	8%	8%	98.7
Louth	3%	3%	2%	3%	136.8
Clare	2%	3%	2%	3%	114.3
Waterford	2%	2%	3%	2%	71.5
Kilkenny	2%	1%	1%	1%	83.4
Westmeath	2%	2%	3%	2%	96.2
Laois	2%	1%	1%	1%	76.6
Offaly	2%	3%	3%	3%	91.0
Cavan	2%	1%	1%	1%	55.7
Sligo	1%	2%	2%	2%	86.8
Roscommon	1%	5%	4%	5%	115.1
Monaghan	1%	3%	2%	3%	111.7
Carlow	1%	1%	1%	1%	79.5
Longford	1%	1%	1%	1%	90.4
Leitrim	1%	3%	4%	3%	79.6
Ireland (Total)	100%	100%	100%	100%	104.3
Source: Indecon analysis of POBAL and CSO data					

The majority of CSP organisations are awarded funding of up to €100,000, with one-quarter allocated less than €50,000. 29% of organisations receive between €100,000 and €150,000, while 13% are awarded more than €150,000 (see table overleaf).

Table 4.5: Breakdown of CSP Organisations by Level of Award (2018)				
Value of Award (€)	**Number of Organisations**	**Percentage of Organisations**	**Amount Awarded (€ Million)**	**Percentage of Total Amount Awarded**
Less than 50,000	98	23.7%	3.37	8.1%
50,000 – 99,999	142	34.4%	11.11	26.7%
100,000 – 149,999	118	28.6%	14.55	34.9%
150,000 and above	55	13.3%	12.62	30.3%
Total	**413**	**100%**	**41.66**	**100%**
Source: Indecon analysis of Pobal data				

4.2   Employment Subsidies

The CSP only part-funds staff in CSP organisations through a contribution that amounts to €19,033 annually for each FTE position, and €32,000 annually for each management position. Employers are obliged to pay the difference between this level of support and the minimum wage. Pobal guidelines for the CSP state that organisations are expected to pay an adequate and reasonable rate of pay to staff in line with current local market rates and all should aim towards paying FTE staff the 'living wage'.

In considering the level of the subsidy provided towards the cost of CSP-managers' wages, Indecon notes that wage pressures are emerging in the economy. Figure 4.2 overleaf shows the average weekly earnings in Ireland since 2008. While wages were broadly static or negative from 2008, they started to rise in 2014. From Q2 2014 to Q2 2019, average weekly earnings rose 11%, or just under 2% per annum. If CSP-supported organisations are unable to increase pay from other sources, this may impact on the ability to attract and retain staff. This was an issue raised in the stakeholders' consultations.   However, without additional budget funding for the Programme there is very little potential, if any, to increase the general level of supports.

Figure 4.1: Average Weekly Earnings for Average Irish Worker, 2008-2019

Source: Indecon analysis
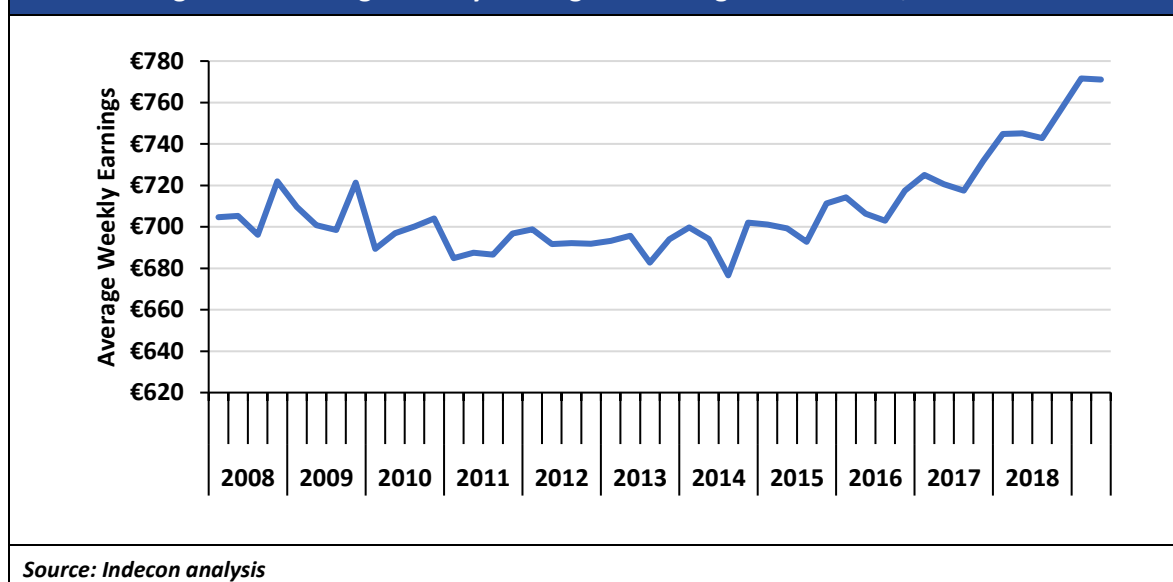
4.3   Sources of Funding for CSP Organisations

As part of Indecon's primary research among CSP-supported organisations, we examined evidence on the breakdown of their income. Table 4.6 shows that there is considerable variation evident in the funding mix across organisations.   On average across respondents, enterprise/commercial income accounts for approximately 38% of overall income, while CSP awards represent approximately 43% of total income. Other sources of income for some organisations include the Community Employment Scheme, Rural Social Scheme, DEASP, the PEACE programme and the Tús Community Work Placement scheme. However, these represent a small percentage of income.

Table 4.6: Funding Sources of CSP Organisations		
	Average	**Median**
Commercial Revenue/ Income Generated through Operation of CSP-supported Service/Activity - %	37.5%	37.9%
CSP funding - %	43.3%	42.5%
DEASP Wage Subsidy Scheme for Persons with a Disability - %	0.3%	0.0%
PEACE programme - %	0.1%	0.0%
Rural Social Scheme - %	0.3%	0.0%
Community Employment Scheme - %	2.8%	0.0%
Tús community work placement scheme - %	0.3%	0.0%
SICAP - %	0.1%	0.0%
Other public funding – %*	11.0%	1.3%
Private funding - %	4.3%	0.0%
Source: Indecon analysis of responses to Information Request of CSP Organisations		
* Other public funding sources cited included HSE, Local Authorities, Local Enterprise Offices, Third-level Institutions, Education and Training Boards, and Broadcasting Authority of Ireland.		

A more detailed examination of the source of funds undertaken by Indecon indicates that while over half of CSP organisations achieved the target of at least 30% of income from traded sources, a sizeable minority (38%) fell short of this target. Table 4.7 shows to what extent CSP organisations achieved Pobal's target that at least 30% of their income come from traded income. It is also significant is that 42.8% of organisations have traded income in excess of 40% and that ten organisations have traded income in excess of 80% of their overall income.

Table 4.7: CSP Organisations' Performance Against 30% Traded Income Target (2017)		
Percentage of Turnover Through Traded Income	Number of Organisations	Percentage of Organisations
Less than 10%	35	8.7%
10% - 19.9%	54	13.4%
20% - 29.9%	66	16.3%
Less than 30%	*155*	*38.4%*
30% - 39.9%	50	12.4%
40% - 49.9%	59	14.6%
50% - 59.9%	50	12.4%
60% - 69.9%	37	9.2%
70% - 79.9%	17	4.2%
80% - 89.9%	9	2.2%
90% - 100%	1	0.2%
30% and above	*223*	*55.2%*
N/A	26	6.4%
Total	**404**	**100%**
Source: Pobal data		

Table 4.8 disaggregates the figures on the extent to which CSP organisations secured traded income by strand. The table shows that 65.4% of Strand 1 large community hall organisations and 60.5% of Strand 1s small community hall organisations reported that 30% or more of their income came from traded income. On average, lower levels of traded income were evident among the two other categories.

Percentage of Turnover Through Traded Income	Strand 1 – Large Community Halls		Strand 1s – Small Community Halls		Strand 2 – Services for Disadvantaged Areas		Strand 3 – Services Employing Disadvantaged Groups	
	N of Orgs.	% of Orgs.	N of Orgs.	% of Orgs.	N of Orgs.	% of Orgs.	N of Orgs.	% of Orgs.
Less than 10%	7	4.5%	10	11.6%	16	13.4%	2	5.1%
10% - 19.9%	16	10.3%	12	14.0%	19	16.0%	6	15.4%
20% - 29.9%	23	14.7%	11	12.8%	24	20.2%	8	20.5%
Less than 30%	*46*	*29.5%*	*33*	*38.4%*	*59*	*49.6%*	*16*	*41.0%*
30% - 39.9%	22	14.1%	8	9.3%	16	13.4%	4	10.3%
40% - 49.9%	27	17.3%	17	19.8%	10	8.4%	5	12.8%
50% - 59.9%	26	16.7%	8	9.3%	13	10.9%	2	5.1%
60% - 69.9%	17	10.9%	12	14.0%	5	4.2%	3	7.7%
70% - 79.9%	8	5.1%	5	5.8%	2	1.7%	2	5.1%
80% - 89.9%	2	1.3%	2	2.3%	3	2.5%	1	2.6%
90% - 100%	0	0.0%	0	0.0%	1	0.8%	1	2.6%
30% and above	*102*	*65.4%*	*52*	*60.5%*	*50*	*42.0%*	*18*	*46.2%*
N/A	8	5.1%	1	1.2%	10	8.4%	5	12.8%
Total	**156**	*100.0%*	**86**	*100.0%*	**119**	*100.0%*	**39**	*100.0%*

Table 4.8: CSP Organisations' Performance Against 30% Traded Income Target (2017) by Strand

Source: Pobal data

4.4 Programme Deadweight

An important factor impacting on the overall effectiveness and value for money of a programme or intervention such as the CSP concerns the likely extent of deadweight[9] associated with the operation of the programme. Deadweight concerns the extent to which benefits or actions that accrued from the programme would have occurred anyway if the programme did not exist.

Indecon's analysis suggests that CSP funding is critical for most of the community organisations supported by the programme, and this suggests the likelihood of low levels of deadweight (where an activity is largely funded through an intervention such as the CSP, all else being equal, it would be expected that levels of deadweight would be lower compared to a scenario where an activity receives only very low levels of funding). Without the CSP, many of the community organisations would have had to restrict their level of service provision. Given the significance of support under the CSP for community halls, a restriction on services would reduce the utilisation of the available infrastructure. This is likely to impact on the social returns on the capital investment incurred in building the infrastructure. The likelihood of low levels of deadweight is also supported by the

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[9] For a discussion on deadweight see Gray A. W. (1995) A Guide to Evaluation Methods, Published by Gill and Macmillan, ISBN 0 717 1 22425.

findings of Indecon's new primary research among CSP-supported organisations. According to the research, 77% of organisations indicated that, in the absence of CSP funding, their project/service would not have proceeded in any way, while 30% of organisations stated that they would have proceeded with the service/activity but on a smaller scale.

Figure 4.2: Views Of Organisations on What Would Have Occurred in Absence of CSP Funding

Source: Indecon analysis of responses to Information Request of CSP Organisations
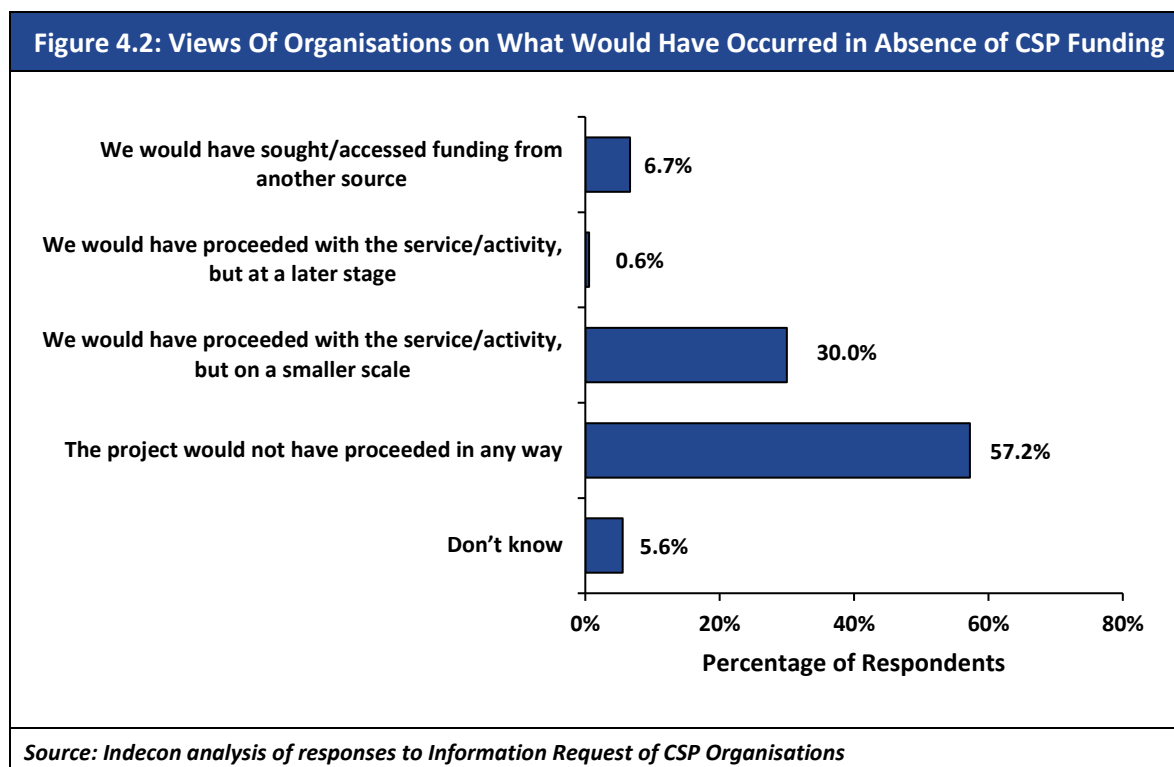
In 2018, Pobal assessed the financial health of CSP organisations based on their payroll returns for June 2018 and their annual financial returns for 2017. Organisations were deemed to be in poor financial health if they generated losses, had negative reserves, or an inability to meet current commitments as they came due (i.e., net current liabilities). The 2018 assessment suggested that 180 CSP organisations were in poor financial health. This is consistent with Indecon's review of the available evidence.

4.5   Adequacy of CSP Funding

Given the poor financial position of many of the organisations supported it is not surprising that a majority of CSP-supported organisations felt that the level of funding provided was inadequate. However, without increased budget allocations for the Programme, there is no potential to increase the levels of support from CSP.

Table 4.9: Views of CSP Organisations on Adequacy of CSP Annual Co-Funding Contribution		
	CSP Annual Co-funding Contribution to FTEs	**DRCD CSP Support Fund 2019 (additional payment to aid sustainability)**
Very Adequate	8.4%	10.6%
Adequate	20.0%	30.5%
Neither Adequate nor Inadequate	11.1%	16.6%
Inadequate	38.9%	29.8%
Very Inadequate	21.6%	12.6%
Don't Know	0.0%	18.5%
Source: Indecon analysis of responses to Information Request of CSP Organisations		

4.6 Programme Delivery Costs and Efficiency

An important aspect of the overall effective delivery of a programme such as the CSP concerns the efficiency of programme operation. This includes in particular the recurrent costs of management and delivery of the programme. The key component of CSP management and delivery costs concerns the administrative costs associated with Pobal's role in managing the programme on behalf of the Department of Rural and Community Development. These costs are established and the fee agreed on an annual basis as part of the Performance Delivery Agreement between the Department and Pobal regarding the latter body's provision of various services and supports in the delivery of the CSP. Pobal's overall CSP delivery and support fees are comprised of the following elements:

- Core service fee; and
- Technical and beneficiary support fee.

Table 4.10 describes the movement in annual budgeted and outturn support fees to Pobal in relation to their role in managing and delivering the CSP over the period 2014 to 2019. In 2018 (for which the latest annual figures are available in respect of budgeted and outturn costs), overall Pobal costs for the CSP (including the core service fee and Technical and beneficiary support fee) were budgeted at €2.55 million, while actual outturn costs amounted to €2.42 million. Overall, if one examines the period since 2014, outturn Pobal costs have been in the range of 85% to 100% of budgeted costs, with significant underspend recorded in some years. Any underspend in a given year is typically offset against the budgeted fee for the subsequent year.

Table 4.10: CSP Programme Delivery Costs – Pobal CSP Programme Support Fees – 2014-2019			
	Pobal CSP Support Fees - Budgeted (€ m) *	**Pobal CSP Support Fees – Outturn (€ m) ***	*Outturn as % of Budgeted*
2014	1.87	1.85	*99.1%*
2015	1.93	1.93	*100.0%*
2016	1.94	1.65	*85.0%*
2017	2.10	1.95	*92.6%*
2018	2.55	2.42	*95.1%*
2019**	2.58	N/A	N/A
Source: Indecon analysis of data provided by Pobal and DRCD			
Note: *Overall support fees include core service fee and Technical and Beneficiary Support fee.			
** 2019 figure based on Pobal budgeted/projected level of costs			

It is also instructive to consider the drivers/components of Pobal costs. Table 4.11 describes the breakdown of the projected 2019 Pobal core service fee. The main elements of core costs include case management and operation supports (32.2% of the overall estimated core fee), financial operations (23.3%), contract management (13.4%), and programme application and appraisal-related costs (10.3%). The level and composition of costs may vary significantly on an annual basis.

Table 4.11: CSP Programme Delivery Costs – Breakdown of Pobal CSP Programme Core Service Fee by Area of Expenditure – 2019 (Projected)		
Area	**2019 (Projected) - €'000**	**% of Total Core Service Fee**
Case Management & Operation Supports	789.5	32.2%
Financial Operations	570.5	23.3%
Contract Management	329.2	13.4%
Application and Appraisal	251.2	10.3%
Financial Audit and Verification	166.0	6.8%
Monitoring Analysis and Reporting	128.4	5.2%
Funder Liaison	92.9	3.8%
Decision Making	78.7	3.2%
Programme Design and Specification	43.6	1.8%
Total Pobal Core CSP Service Fee	**2,450**	**100%**
Source: Indecon analysis of data provided by DRCD based on Pobal budgeted level of costs		

To inform assessment of the relative scale of delivery costs, it is useful to relate the Pobal service delivery costs to the annual level of CSP awards. The analysis presented in Table 4.12 indicates that overall Pobal outturn programme delivery support fees for the CSP have ranged between 3.8% and 5.8% of the annual aggregate value of CSP awards over the period between 2014 and 2019.

Table 4.12: CSP Programme Delivery Costs – Pobal CSP Programme Support Fees relative to Aggregate Value of CSP Awards – 2014-2019			
	Pobal CSP Support Fees – Outturn (€ m) *	**CSP Awards (€ m)**	**Pobal CSP Support Fees as Percentage of CSP Awards - %**
2014	1.85	42.44	4.4%
2015	1.93	41.71	4.6%
2016	1.65	43.00	3.8%
2017	1.95	41.76	4.7%
2018	2.42	41.66	5.8%
2019**	2.58	46.00	5.6%
Source: Indecon analysis of data provided by Pobal			
Notes: *Overall support fees include core service fee and Technical and Beneficiary Support fee			
**2019 figures based on Pobal budgeted/projected levels of costs and disbursement of CSP funding			

The next table relates outturn Pobal costs with the number of organisations/beneficiaries supported by the CSP over the period 2014 to 2019. This analysis indicates that, on average, Pobal delivery support costs amounted to between €4,065 and €6,258 per supported organisation over this period, with a significant increase evident since 2017. In general, programmes which support a larger number of beneficiaries where each receives a relatively low average value of support are likely to face higher unit delivery costs than programmes with few beneficiaries.

Table 4.13: CSP Programme Delivery Costs – Pobal CSP Programme Support Fees relative to Number of Organisations Receiving CSP Awards – 2014-2019			
	Pobal CSP Support Fees – Outturn (€ m) *	**Number of Organisations Supported**	**Average Pobal Costs per CSP Organisation Supported (€)**
2014	1.85	405	4,578
2015	1.93	397	4,855
2016	1.65	405	4,065
2017	1.95	399	4,880
2018	2.42	413	5,866
2019*	2.58	413	6,258
Source: Indecon analysis of data provided by Pobal			
Notes: *Overall support fees include core service fee and Technical and Beneficiary Support fee.			
**2019 figures based on Pobal budgeted/projected levels of costs and number of organisations supported.			

Table 4.14 examines a measure of CSP unit delivery costs by reference to Pobal outturn costs relative to the overall number of staff (FTEs and managers) supported through the programme. This analysis indicates that average service delivery costs per staff member supported have increased from €828 in 2016 to a projected €1,311 in 2019.

Table 4.14: CSP Programme Delivery Costs – Pobal CSP Programme Support Fees relative to Number of Staff Funded in CSP-supported Organisation – 2014-2019			
	Outturn Pobal Delivery Cost (€ m) *	Number of FTE and Manager Staff Funded	Delivery Cost per FTE/Manager Supported (€)
2014	1.85	1,989	932
2015	1.93	1,954	987
2016	1.65	1,990	828
2017	1.95	1,948	1,000
2018	2.42	1,951	1,242
2019	2.58	1,971	1,311
Source: Indecon analysis of data provided by DRCD and Pobal			
Notes: *Overall support fees include core service fee and Technical and Beneficiary Support fee.			
**2019 figures based on Pobal budgeted/projected levels of costs.			

4.7   Complementarity/Overlap with Other Programmes

One issue examined by Indecon was the complementarity and/or overlap with other Government funded programmes and schemes. The CSP has a broad remit to ensure that services are available in communities that would not be available otherwise (i.e., are not provided by the private market or public sector), and also has an objective concerning the provision of employment opportunities to disadvantaged groups. An overview of some of the programmes which have related objectives are displayed in Table 4.15. These programmes tend to fall into different categories, with some programmes supporting community services and other programmes aimed at labour market activation. Many of these programmes are the responsibility of other government departments.

Table 4.15: Examples of Other Government Programmes		
Programme	**Target group**	**Gov. Dept. Responsible**
Leader	Rural communities and local businesses	DRCD
Scheme to Support National Organisations	National organisations that provide support to disadvantaged people to address poverty, social exclusion and inequality.	DRCD
Social Inclusion and Community Activation Programme (SICAP)	Provides funding to tackle poverty and social exclusion through local engagement and partnerships between disadvantaged individuals, community organisations and public sector agencies.	DRCD
Community Enhancement Programme (CEP)	Community groups in disadvantaged areas (funding to enhance physical and technological facilities).	DRCD
CLÁR	Rural areas (funding for small scale infrastructural projects).	DRCD
Rural Recreation – The Walks Scheme	Landholders on National Waymarked Ways, Looped Walking Routes and Heritage Routes, and other trails approved by the National Trails Office	DRCD
Dormant Accounts Fund (DAF)	The economically, educationally and socially disadvantaged as well as those with a disability.	DRCD
Rural Social Scheme	Low-income farmers and fishing communities (income support).	DEASP
Tús	Urban and rural long term unemployed (12-month work placements in community and voluntary organisations)	DEASP
Local Employment Services	Jobseekers either referred by the DEASP or self-referred (acts as a centre point for labour market activation programmes).	DEASP
Job Clubs	Jobseekers (provides individualised supports, a 'drop in' service and formal workshops)	DEASP
Job Initiative Scheme	People unemployed and in receipt of welfare payments for 5 years or more who 35 years of age (participants given work experience, training and development opportunities by local community voluntary organisations, public bodies and non-profits.	DEASP
Community Employment Programme	long-term unemployed (offers part-time and temporary placements in jobs based within local communities)	DEASP
Back to Work Enterprise Allowance	Those getting jobseekers benefits or allowance continuously for at least 9 months	DEASP
Local Training Initiatives	Unemployed individuals ideally who have no formal or incomplete secondary level qualifications and are under 35 years of age.	LDCs on behalf of DEASP
'Kickstart' Seed Fund	Programme supports social enterprises with aims of reducing re-offending by providing employment opportunities for people with a criminal record	DoJE
'Better Energy Warmer Homes'	Residents of owner-occupied homes constructed before 2006 in receipt of certain social welfare payments, aimed at improving home energy efficiency.	DCCaE
Rural Transport Programme	Rural communities – subsidised transport services in rural areas.	DTTaS
Community Childcare Subvention	Support for disadvantaged parents and parents in training, education or low paid employment	DCYA
Source: DRCD, DEASP, DCCAE and DDTS Websites. CCS and CCSP will be closed for new entrants due to new National Childcare Scheme		

The above programmes are further described below.

❑ **Leader:** EU-funded project aimed at helping rural communities and local businesses under the following three Local Development Strategy themes: Economic Development, Enterprise Development and Job Creation; Social Inclusion (i.e., Basic Services targeted at hard to reach communities; Rural Youth); and Rural Environment Protection and sustainable use of water resources (i.e., Local Biodiversity; Renewable energy).

❑ **Scheme to Support National Organisations:** Focused on national organisations that provide support (both direct and indirect) to disadvantaged people with a focus on addressing poverty, addressing social exclusion or promoting equality (or on all three).

❑ **Social Inclusion and Community Activation Programme (SICAP):** Supports disadvantaged communities and individuals. Administered by Pobal on behalf of the Department of Rural and Community Development and managed locally by 33 Local Community Development Committees. Actions delivered by 'Programme Implementers', who work with disadvantaged communities and service providers using a community development approach to improve people's lives (e.g., by helping people to find work or to upskill).

❑ **Community Enhancement Programme:** Provides capital funding to community groups to enhance facilities in disadvantaged areas. Some examples of funded projects are: IT and CCTV equipment; minor improvements to buildings; minor renovation of community centres; development of community amenities; purchase of equipment; and improvements to town parks, common areas and energy-saving projects.

❑ **CLÁR – Funding for Small-Scale Rural Projects:** Provides funding for small-scale infrastructure projects in rural areas on the basis of locally identified priorities. It receives a budget of €5 million annually and is the responsibility of the DRCD.

❑ **Rural Recreation – Walks Scheme:** Aimed at landholders on National Waymarked Ways, Looped Walking Routes and Heritage Routes, and other trails approved by the National Trails Office. Scheme has resulted in the development and enhancement of nearly 40 trails and rural recreation officers have negotiated and managed maintenance contracts with over 1,890 landowners. In total €600,000 has been invested, with landholders getting maintenance payments totalling €5.4 million over the last four years. The scheme is administered by 12 Local Development Companies and overall responsibility for it rests with the DRCD.

❑ **Dormant Accounts Fund:** Uses unclaimed funds from Irish accounts in credit institutions to support the personal and social development of persons who are economically or socially disadvantaged; the educational development of persons who are educationally disadvantaged; and persons with a disability (within the meaning of the Equal Status Act 2000). It is the responsibility of the DRCD and received a budget of €3.9m (€2m for social enterprise; €1.9m for training and support for carers) in 2017.

❑ **Rural Social Scheme:** Aimed at providing services to rural communities that use the skills and talents available among low-income farmers and fishing communities. Income support to low-income farmers and fishing communities who are in receipt of specified social welfare payments. It received funding of €250 million for the years 2014 to 2020 and is the responsibility of the DEASP.

❑ **Tús:** Aimed at providing the long-term unemployed work placements of 12 months in community and voluntary organisations in order to help local communities. Has both a rural and an urban focus. It is the responsibility of the DEASP.

❑ **Local Employment Services:** These services act as a local gateway or access point to services and facilities that are intended to assist jobseekers to enter or re-enter employment. These jobseekers can be referred to the Local Employment Service by the DEASP or be clients who engage directly with the service. There are 22 organisations contracted to provide such services by the DEASP.

❑ **Job Clubs:** Provides assistance to jobseekers to enter or re-enter employment through the provision of individualised supports, a 'drop in' service and formal workshops. It is the responsibility of the DEASP.

❑ **Job Initiative Scheme:** Aimed at providing full-time employment for people who are 35 years of age or over, unemployed for five years or more, and in receipt of social welfare payments over that period. Provides participants with work experience, training and development opportunities and is sponsored by groups wishing to benefit the local community. It is the responsibility of the DEASP.

❑ **Community Employment Programme:** Aimed at long-term unemployed (or otherwise disadvantaged) – designed to help them re-enter labour market by offering part-time and temporary placements in jobs based within local communities (participants can take up other part-time work during placement). Participants are encouraged to look for permanent jobs elsewhere after placement, based on the experience and skills gained while on a CE scheme. It is the responsibility of the DEASP.

❑ **Back to Work Enterprise Allowance:** Scheme that is intended to encourage those under the age of 66 receiving jobseekers' benefits or allowance continuously for at least nine months or another qualifying payment to become self-employed. This is approved in advance in writing by a DEASP case officer and a local development company. Those who take part in the scheme can keep a percentage of their social welfare payment for up to two years. Successful applicants can also get financial support with the costs of setting up their business under a scheme called the Enterprise Support Grant.

❑ **Local Training Initiatives:** Local Training Initiatives provide vocational training opportunities, learning supports and project-based learning to unemployed persons are designed for marginalised and disadvantaged learners who are not able to participate in other mainstream training interventions for personal, social or geographic reasons. Such individuals ideally should have no formal or incomplete secondary level qualifications and be under 35 years of age. It is intended that participants achieve NFQ level awards and the capacity to progress to further education and employment.

❑ **'Kickstart' Seed Fund**: This fund is delivered by the Probation Services under the remit of the Department of Justice and Equality. This initiative was launched in 2018 and represents an initiative to support the development of social enterprises and increase employment for people with criminal convictions. It provides matching grants of up to €30,000 to organisations providing employment to former offenders and persons leaving prison.

❑ **'Better Energy Warmer Homes' scheme:** Aims to improve the energy efficiency and comfort conditions of the homes of the elderly and vulnerable through the installation of draught proofing, attic insulation, lagging jackets, low energy light bulbs, cavity wall insulation etc. To qualify for the scheme, applicants must be residing in owner-occupied non-Local Authority homes constructed before 2006 and be in receipt of either the Fuel Allowance under the National Fuel Scheme; Job Seekers Allowance for over six months and with children under seven years of age; Family Income Supplement; or One Parent Family Payment. The scheme is administered by the SEAI.

❑ **Rural Transport Programme:** Intended to deliver "a quality nationwide community-based public transport system in rural Ireland which responds to local needs" for rural communities in Ireland. Managed by 17 transport co-ordination units (Local Link) who contract services out to over 400 private operators. Scheme supports 1.9 million passenger journeys per annum. It is the responsibility of the Department of Transport, Tourism and Sport and was allocated funding of €15 million in 2018.

❑ **Community Childcare Subvention (CCS) Programme:** Under the CCS, disadvantaged parents and parents in training, education or low-paid employment, can avail of childcare at reduced rates. There is also free childcare for homeless children and this includes a daily meal.

Indecon's analysis has indicated that while many of the above programmes/supports are complementary to the CSP, an issue arises whereby DRCD/CSP is funding initiatives for existing beneficiaries in areas where this is also a main focus of other Government Departments. This arises in legacy areas, for example in childcare and energy efficiency. Our analysis also indicates that while CSP organisations receive funding from a number of programmes, the overall level of supports provided by other programmes is very limited.

One area of potential overlap we examined concerned support for job opportunities. While there are differences between the CSP and active labour market programmes in terms of the funding model and the focus of the CSP on delivery of services to disadvantaged communities, Indecon would have a concern if a reformed programme had a primary objective concerning employment of disadvantaged groups. Indecon believes that any programme with this as a primary objective or a main strand should be the responsibility of the Department of Employment Affairs and Social Protection. There is however merit in supporting employment of individuals distant from the labour market as a secondary horizontal objective.

4.8 Summary of Findings

❑ Between 2014 and 2018, the annual value of CSP awards and payments was between €42 and €43 million.

❑ Since 2014, the percentage of awards allocated to Strand 1 (Community Halls) has increased from 39% to 43%, while those allocated to Strand 3 (Services Employing Disadvantaged Groups) have increased from 11% to 13%. The percentage allocated to Strand 2 (Services for Disadvantaged Areas) has decreased from 42% to 36%.

❑ There is considerable variation in the funding mix across CSP organisations, with enterprise/commercial income and CSP awards accounting for approximately 38% and 43% of total income, respectively.

❑ Other sources of Government funding represent a very small percentage of the income of assisted organisations.

❑ Many of the organisations are dependent on CSP for continued viability if their existing service provision is to be maintained.

❑ Indecon's analysis suggests low levels of deadweight in the CSP. While 30% of organisations would continue without CSP funding, most of these would have had to restrict services. Over 57% of organisations indicated that their project would not have proceeded without CSP funding. This is consistent with Indecon's analysis of the marginal financial situation of most of the organisations supported.

5   Impact of the CSP on Communities

5.1   Impact on Provision of Services to Vulnerable Communities

In examining the impact of the CSP on communities, Indecon reviewed in detail the existing performance indicators. Data is available on the number of days and hours of service provision for many of the organisations. While ideally, data should be monitored on outputs, results and wider impacts, this is not feasible with the existing indicators which are measured. The available information, however, provides an important insight into how the CSP influences the utilisation of existing community infrastructure, as well as the levels of output or activity generated.

Table 5.1: Outputs for Service Provision of CSP Organisations (2018)			
	Number of Organisations Measuring Metric	**Average Provision Jan-Jun 2018**	**Average Provision Jul-Dec 2018**
Number of days per week service is provided	301	6.1	6.1
Number of hours per week service is provided	53	58.9	59.7
Number of hours open per week	320	75.8	72.4
Source: Indecon analysis of Pobal data			
Note: These metrics are based on the number of CSP organisations measuring these metrics			

Table 5.2 shows the activity of various CSP organisations as measured by their footfall per 1,000 people for each county in 2008. Total footfall to CSP-supported community centres and other facilities of 14.6 million was measured in 2018, with Monaghan, Mayo and Leitrim having the highest footfall per 1,000 people. Indecon has concerns about the focus on footfall, and alternative measures are proposed in our recommendations.

Table 5.2: Footfall Measured by CSP Organisations per 1,000 People				
	Number of CSP Organisations Measuring Footfall	Population	Footfall measured by CSP Organisations	Footfall per 1,000 People
Carlow	3	56,932	53,232	935
Cavan	5	76,176	113,676	1,492
Clare	9	118,817	381,133	3,208
Cork	23	542,868	800,424	1,474
Donegal	33	159,192	1,075,327	6,755
Dublin	61	1,347,359	3,793,354	2,815
Galway	16	258,058	1,364,687	5,288
Kerry	11	147,707	210,321	1,424
Kildare	5	222,504	292,382	1,314
Kilkenny	6	99,232	199,084	2,006
Laois	5	84,697	319,240	3,769
Leitrim	14	32,044	301,802	9,418
Limerick	13	194,899	455,616	2,338
Longford	5	40,873	225,569	5,519
Louth	8	128,884	374,226	2,904
Mayo	33	130,507	1,095,358	8,393
Meath	9	195,044	528,249	2,708
Monaghan	10	61,386	589,882	9,609
Offaly	10	77,961	280,534	3,598
Roscommon	15	64,544	298,726	4,628
Sligo	8	65,535	147,881	2,257
Tipperary	9	159,553	193,482	1,213
Waterford	13	116,176	231,998	1,997
Westmeath	10	88,770	236,038	2,659
Wexford	18	149,722	654,322	4,370
Wicklow	13	142,425	387,832	2,723
State	**365**	**4,761,865**	**14,604,374**	**3,067**

Source: Indecon analysis of Pobal data

For certain CSP-supported organisations, it is possible to examine more specific measures of output which better capture the nature of the work that they do. These are shown in Table 5.3. For example, 35 organisations measured the number of meals provided over the year (2018), with each of these organisations providing an average of approximately 16,000 meals over the year.

Table 5.3: Other Outputs for CSP Organisations (2018)			
Outputs per Half-Year Period	**Number of CSP Organisations Measuring Metric**	**Provision Jan-Jun 2018 (Average across Organisations)**	**Provision Jul-Dec 2018 (Average across Organisations)**
Number of meals provided	35	7,894	8,440
Number of day care places provided (full-day equivalent places)	24	1,457	1,976
Number of trips (transport) provided	20	7,722	6,586
Number of service washes or dry cleaning provided	12	1,550	940
Number of homes benefitting from SEAI and/or home improvements	15	110	136
Source: Indecon analysis of Pobal data			
Note: These metrics are based on the number of CSP organisations measuring these metrics			

For other specific organisations such as childcare, it is possible to measure the impact in terms of day care places provided. The number of organisations offering day care and the number of day care places is disaggregated by county in Table 5.4.

Table 5.4: CSP Organisation Day Care Place Provision by Region Compared to Population (2018)		
	Number of CSP Orgs	**Number of Day Care Places Provided – Full Day Equivalent Places**
Border	2	14,475
Dublin	6	31,769
Mid-East	3	650
Midlands	1	194
Mid-West	2	9,120
South East	3	21,696
South West	1	119
West	6	2,390
Total	**24**	**80,413**
Source: Indecon analysis of Pobal data		

Figure 5.1 provides the views of CSP organisations on the impact of the CSP on the provision of services in vulnerable communities that would not be delivered otherwise. This indicates that CSP funding had a significant impact on providing services. Indecon's analysis of the type of services provided is consistent with the views of the organisations supported. Indecon however believes that there is a need for more detailed performance measures to be monitored to evaluate the impact of the services provided.

Figure 5.1: Views of Organisation Managers and Staff on Impact of CSP Funding on the Provision of Services to Vulnerable Communities that Would not be Delivered Otherwise

Source: Indecon analysis of responses to Information Request of CSP Organisations and Supported Staff
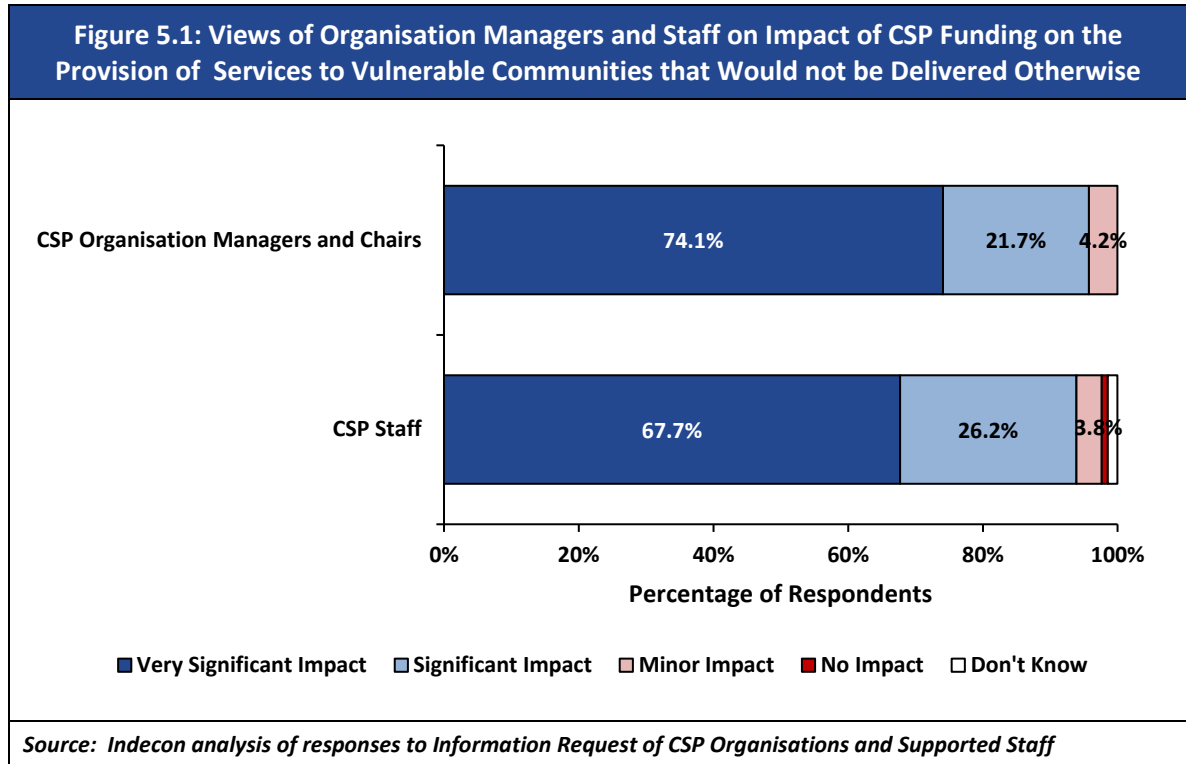
In examining the CSP it is useful to consider a case study of St. Andrews Community Centre in Rialto as presented overleaf. This highlights the impact of CSP funding in maximising the use of this important infrastructure which provide services to disadvantaged groups.

Case Study 2: St Andrew's Community Centre Rialto	
Overview of CSP-supported Service	The Rialto Development Association Clg (RDA), incorporated in 1984, was established to manage St. Andrew's Community Centre, which provides services to a disadvantaged community (e.g. the Fatima Mansions and Dolphin House complexes). Four main projects operate out of the community centre (see impacts section below), in addition to an artist's studio and Community Employment (CE) project with 24 places in total for work experience for long-term unemployed local people. It currently employs 38 staff (21 of whom are full time including 4 CSP-supported staff) and 20 part-time CE staff.
Role of CSP Support	Funding used to employ a manager and three FTE positions (an administrator, a general operative, and a caretaker). This enables the centre to meet its objectives and provide a professional and centralised management system for the whole centre for efficient delivery of projects. Tasks conducted by CSP staff include ensuring building security, planned preventative maintenance, building refurbishment, compliance (fire/health and safety/insurance), meeting governance requirements (audits, CRO filing, reporting to Charities Regulatory Authority, etc.) as well as developing opportunities for coordination and cooperation between the projects. CSP funding support means that the centre is opened seven days a week, there is a formal and transparent booking application system for the renting of rooms and the activities and facilities of the centre are promoted within the community, there is an accountable and transparent system for the invoicing and recording of income, there is a closely monitored budget for expenditure associated with the operational costs of the centre, there are clear responsibilities around health and safety within the building, there are schedules of work to maintain and upkeep the building, there are correct insurance policies covering all liability and there are timely reports made annually to the CRO and CRA. CSP funding made up 4% of the community centre's income with traded income from this being 4%. However, the CSP funding is the main source of income for the running costs of the centre, as the other income it receives in grant making bodies (e.g. from the HSE) is restricted for salary and costs for programme services and delivery.
Main Impacts/ Benefits for Local Community	The Four main projects operating out of the centre are: ❑ The Rialto Community Drug Team supports individuals and families impacted by substance abuse issues. ❑ The Rialto Youth Project gives one-to-one engagement for disadvantaged youth. ❑ For older people at risk of social isolation, the Rialto Day Care Centre provides daily hot meals, stimulating activities and socialisation. ❑ Rialto Community Network provides an advisory service as well as access to a range of community development, training and employment support programmes to individuals experiencing poverty, disadvantage and social exclusion. Additionally: ❑ The community is exposed to community arts-based practice due to the presence of an artist's studio in the centre. ❑ In 2018 the centre ran 10 community-based entertainment events that were attended by 1,463 individuals, with tickets for its summer garden music being sold out before the event, despite there being a charge for the event. ❑ Provides seven-days-a-week meeting space for organisations – in 2018, 28 groups were provided space for weekly or monthly events and 63 were provided space for one-off or short-term bookings.
Main Benefits for Employment and Staff Development	The three FTE staff employed in the centre came from a CE scheme, before which two of them were long-term unemployed. These staff have upskilled while working in the community centre, with courses such as payroll, intermediate excel, security training and D-licence driving test. Staff received employment in the centre having applied for the jobs via open competition.
Source: Indecon	

Insights on the impact of the services supported by CSP can also be seen by the information in Case Study 3 overleaf, which outlines how a CSP organisation provides services to a disadvantaged community in the Mayfield area of Cork City.

Case Study 3: Mayfield Integrated Community Development Project Ltd	
Overview of CSP-supported Service	Mayfield Integrated Community Development Project Ltd (Mayfield CDP), established in 1990, provides support, training and developmental opportunities to individuals and groups in the Mayfield area of northern Cork City. Mayfield is identified as a RAPID area, characterised generally by low employment, low educational attainment, poorer health and a higher prevalence of lone parenthood, with in 2018, 15.2% of Mayfield's population aged 15 and over being unemployed (national average is 7.1%) and 11.1% (national average is 4.2%) having a disability or illness which prevents them from working.

Organisation provides Childcare**;** Information/signposting**;** Community education; Community garden; Networking through and with other organisations; Supporting local issues; Supporting personal alarm scheme; Newsletter/Facebook/website; Supporting groups through access to the resource centre; Administrative back up for the community and individuals and Access to its computer room. |
| **Role of CSP Support** | Service would not operate without CSP funding of posts – caretaker works mornings and evenings to ensure centre is open in the evenings for community groups. An Administrator completes monthly accounts and payroll, as well as being in the public reception and a Childcare Manager runs an Early Years' service and manages one childcare assistant and one Community Employment participant. In 2018, 26% of income came from CSP funding, while commercial trading represented 8% of our income.

As crèche room is currently too small, they will need funding to expand it. |
| **Main Impacts/ Benefits for Local Community** | ❑ Annual footfall of 16,605 in 2018 with 1,728 people availed of adult and community education courses.
❑ Over 30 community groups use the centre generating benefits for the wider community.
❑ Early Years' service benefits 15 children (up to 30 parents) with 93.75% of parents/guardians said that the childcare service had contributed positively to their lives and a majority feeling their children had benefited from attending the service.[*]
❑ 56% of participants indicated that the service or activity which they attend in the CDP was important to them as it made them feel a part of their community.[*]
❑ 140 Senior Alert Scheme queries in 2018 – administered by the CDP for the local area.
❑ Some young adults with a learning disability work in their community garden and service users of local disability organisations avail of their community education courses.
❑ Computer room used by Age Action to offer one to one IT support to older people.
❑ Training room used by those on CE schemes and the administrator and resource centre worker support jobseekers in preparing CVs.
❑ For the past 4 years it has run a peer support programme (12-week course) for women to quit smoking. Members of the Travelling community have taken part. |
| **Main Benefits for Employment and Staff Development** | The project employs three CSP funded FTE posts held by four staff: a full-time Caretaker, a full-time Administrator and a part-time Childcare Manager and a part-time Resource Centre Worker. Additionally, it employs two part time community education co-ordinators funded by the Education Training Board, a Resource Centre Manager funded by the HSE and a Childcare Assistant funded from its own operational funding.

3 out of 4 staff were in receipt of welfare payments before employment in the Mayfield project and one member was drawn from the immigrant community. A former employee who worked with Mayfield for two years gained employment in the private sector. |
| **Sources: Indecon; *CLAR Project 2017 in conjunction with UCC; CLAR Research Report 2017.** | |

5.2   Impact on Wider Community Development

Indecon surveyed CSP organisations and staff concerning the impact of the CSP on wider community development. Figure 5.2 provides the views of both CSP organisation managers/chairs and CSP staff which suggests a significant impact of the CSP on facilitating and encouraging development in the wider community.

Figure 5.2: Views of Organisation Managers and Chairs and Staff on Impact of CSP Funding on Encouraging Wider Community Development

	Very Significant Impact	Significant Impact
Facilitated wider community development — CSP Organisation Managers and Chairs	54.8%	34.4%
Facilitated wider community development — CSP Part-Funded Staff	49.7%	33.1%
Encouraged wider community development — CSP Organisation Managers and Chairs	49.5%	41.5%
Encouraged wider community development — CSP Part-Funded Staff	48.2%	38.0%

Percentage of Respondents

Source: Indecon analysis of responses to Information Request of CSP Organisations and CSP-Supported Staff

Figure 5.3 presents survey data which suggests that CSP organisations also impacted on strengthening local ownership through participation in decision making. During our stakeholder consultations and Indecon's analysis of projects supported it was evident that the type of services provided were based on decisions by local community organisations. This is consistent with Objective 3 of the new Government five-year strategy to support the community and voluntary sector which focuses on the development and strengthening of meaningful consultation participation and inclusion.[10]

Figure 5.3: Views of Organisation Managers and Chairs and Staff on Impact of CSP Funding on Strengthening Local Ownership Through Participation in Decision Making

	Very Significant Impact	Significant Impact
CSP Organisation Managers and Chairs	40.3%	39.3%
CSP Part-Funded Staff	34.4%	30.6%

Percentage of Respondents

Source: Indecon analysis of responses to Information Request of CSP Organisations and CSP-Supported Staff

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[10] 10 'Sustainable, Inclusive and Empowered Communities' – a five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024 – Op. Cit.

To further illustrate the impact of the CSP on wider community development, Indecon examined the services provided by Delta Centre Sensory Gardens. The organisation concerned is a sensory organisation which provides services not only to people with disabilities but also to the wider public, as well as providing events that benefit the community.

Case Study 4: Delta Centre Sensory Gardens	
Overview of CSP-supported Service	The Delta Centre Sensory Gardens, established in 2001, is based on the edge of Carlow town is a therapeutic outlet for adults with disabilities and those attending the Delta Centre and adjoining feeder schools. It consists of 2.5 acres of 16 interconnecting sensory gardens with an attached café and garden centre and is open to the public and other groups (of all abilities) 7 days week. It was intended to create employment for long term unemployed including those with some disability and those most distant from the labour market and employs 6 FTEs and a manager (one FTE employed in the café).
Role of CSP Support	CSP funding is vital to ensuring the running of the service and maintaining it to a high standard in terms of both the payment of wages and materials. Constant upgrading works are needed to keep up visitor interest. In 2018 35% of annual income was commercial.
Main Impacts/Benefits for Local Community	❑ Benefits to people attending the centre – offers a therapeutic outlet and for a select few a supervised work experience. ❑ Provides access to a sensory based educational programme including regular visits by students for an adjoining special needs school, St Laserian's. ❑ Provides horticultural related knowledge, environment and sensory awareness to specialised groups visiting the sensory garden. In April 2019 it provided environmental awareness conference in conjunction with Carlow IT. ❑ Enhances Christmas experiences for special needs children by providing a Christmas Wonderland in December (running for over 10 years). ❑ Employed staff drawn from the Carlow area.
Main Benefits for Employment and Staff Development	❑ Provides continual employment and training to employees including training and skills opportunity events for selected learners. ❑ 70% of staff drawn from people who are long-term unemployed and have a disability – gained skills in horticulture, hard landscaping, customer service, garden tour guides and much more. ❑ Boosts confidence of staff – volunteers help maintain gardens and receive experience and confidence to enhance careers as a result and staff learn importance of team work as well as having confidence boosted when visitor comments are shared with them.
Source: Indecon	

5.3 Impact on Learning, Expertise and Skills in Communities

A potential impact of CSP services is the enhancement of learning, expertise and skills in communities. The views of CSP organisations suggest that the CSP programme has encouraged the sharing of learning and expertise (see figure overleaf).

Figure 5.4: Views of Organisation Managers and Chairs and Staff on Impact of CSP Funding on Encouraging the Sharing of Learning and Expertise

Source: Indecon analysis of responses to Information Request of CSP Organisations and CSP-Supported Staff
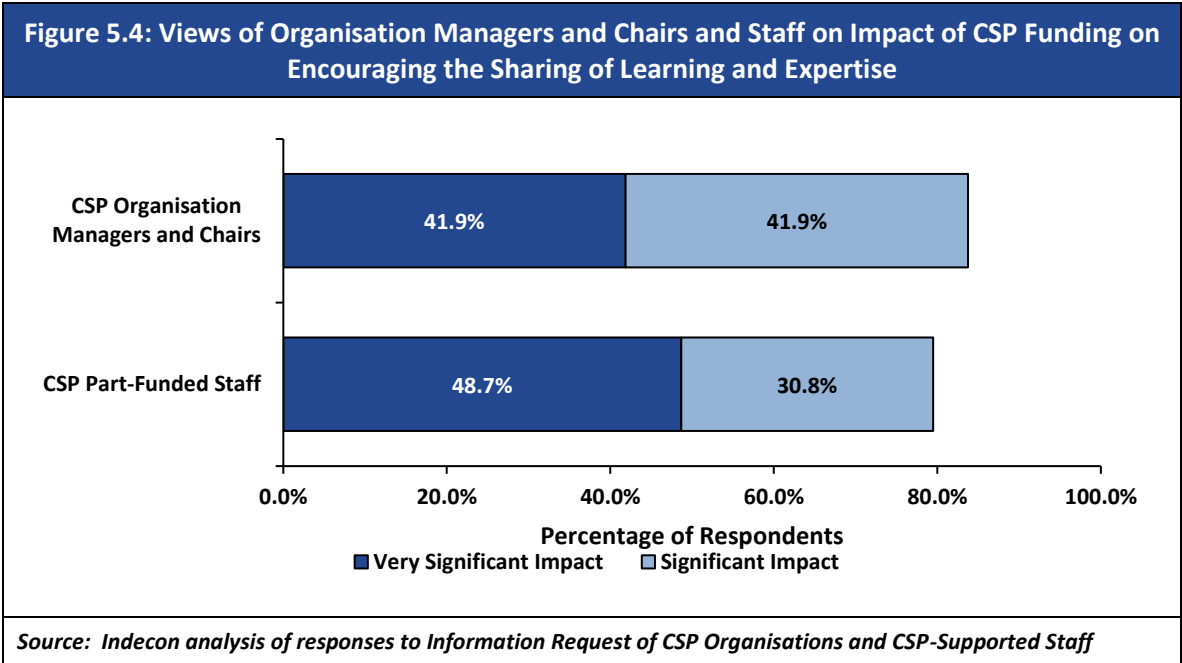
There were somewhat more mixed views of CSP organisations on the impact of the CSP on enabling them to leverage additional resources to improve facilities and skills. This may reflect the limited funding provided by CSP and the fact that most of the organisations are financially constrained as evident from our analysis of their financial position.

Figure 5.5: Views of Organisation Managers and Chairs and Staff on Impact of CSP Funding on Enabling them to Leverage Additional Resources to Improve Facilities and Skills

Source: Indecon analysis of responses to Information Request of CSP Organisations and CSP-Supported Staff
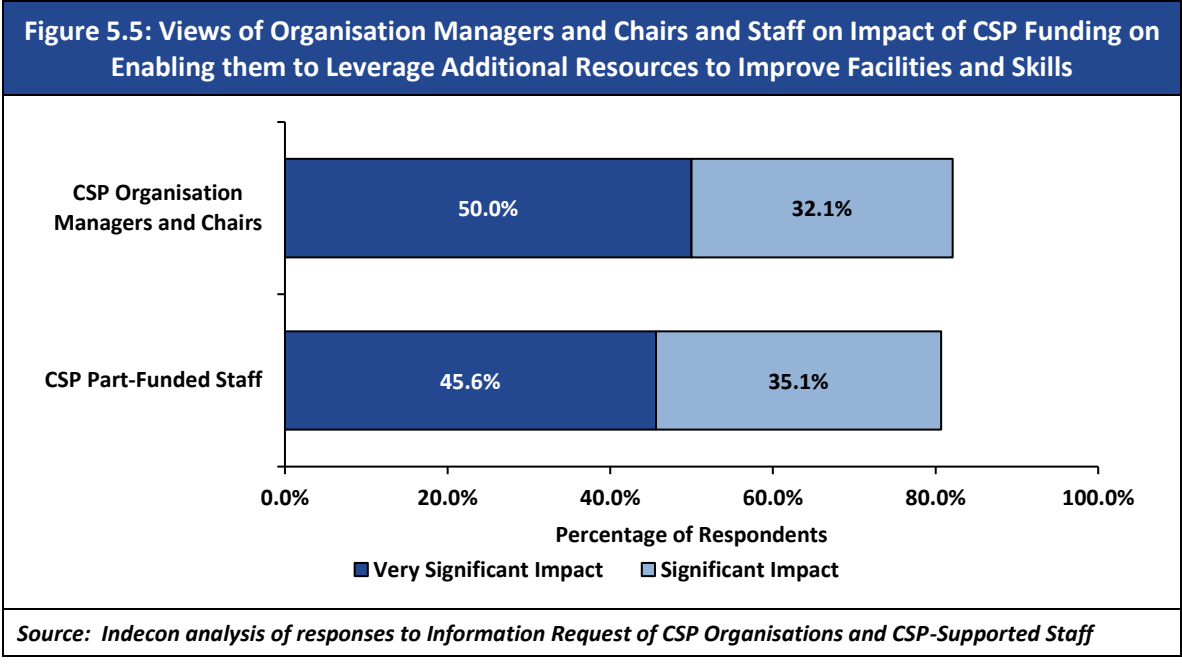
In order to examine the impacts of the CSP in terms of the establishment of social enterprises, Case Study 5 outlines the example of Mobile IT based in Limerick.

Case Study 5: Mobile IT	
Overview of CSP-supported Service	Mobile IT is a Limerick based organisation, established in 2002, provides IT training to more disadvantaged marginalised members of society by setting up digital classrooms in local venues around rural Munster where people are unable to access such training due to travel or cost restrictions. Services are provided to those with disabilities, those with addiction issues, older people, Travellers, and refugees. Organisation can set up a digital classroom in any village in the area, bringing their own devices, Wi-Fi and other items needed to run successful classes. Its core areas of expertise are IT Skills for Beginners, Microsoft Office, Web Design, Digital Design, Digital Marketing, Payroll, Computerised Book-Keeping and Coding for children.
Role of CSP Support	Mobile IT uses CSP funding to employ one full time manager and three full time equivalents (FTEs). CSP funding covers most of the cost of employee wages, with traded income (42.5% of turnover) covering all other costs. By its own admission it would not operate without CSP funding to pay wages.
Main Impacts/Benefits for Local Community	❑ Trained 636 people basic IT skills in 26 villages in Cork, Limerick and Tipperary in 2018 – 43 were in centres for people with disabilities, 16 in direct provision centres and 76 in addiction centres. Mobile IT works with direct provision centre residents offering basic IT training with a follow up European Computer Driving Licence (ECDL) course. ❑ Has run for the past 4 years an ECDL course for Reclaim Limerick Youth, a sports coaching program for inner city youths in Limerick City. ❑ Runs certified courses for Jobseekers, CE Scheme participants and those interested in attaining a certification in IT. ❑ Assists small businesses and non-profit groups with enhancing their online presence (through a service and training courses). ❑ Taught 115 children coding skills in either Summer Camps or After School Coding Clubs in 2018. ❑ Can reach people in a community, who want and need IT training which cannot be provided by other training providers. ❑ Creates a friendly and stress-free learning environment for learners, many of whom are returning to education from a long absence.
Main Benefits for Employment and Staff Development	Employs one administrator and four trainers – all on welfare payments prior to employment. Staff training offered and taken, with two employees undertaking Spring Board courses in Management and Training in the past year. All employees have undertaken first aid and child protection courses in recent years.
Source: Indecon	

5.4   Summary of Findings

❑ There is limited data currently collected concerning the impact of the CSP on communities and this is a deficiency of the Programme.

❑ One measure of performance monitored is the level of footfall and while this is a useful measure of activity for some types of organisations it does not measure impacts.

❑ The data indicates that total footfall for CSP-supported organisations was 14.6 million in 2018.

❑ New survey evidence suggests that an important result of the Programme is on the provision of services for marginalised groups which would not otherwise have been provided. This is consistent with Indecon's analysis of the types of services provided.

❑ For certain services it was possible to examine quantifiable measures. For example, Indecon notes that the 35 Meals on Wheels organisations supported provided an annual average of approximately 16,000 meals.

6 Impact of CSP on Job Opportunities

6.1 Profile of CSP Staff

One of the objectives of the CSP Programme is to create sustainable jobs for those most distant from the labour market, in particular for those who are long-term unemployed and from specific target groups. The targeted groups are: persons in receipt of disability allowances, invalidity pension or blind person's pension; Travellers in receipt of jobseeker's payment or One Parent Family Payment; stabilised and recovering drug misusers; people with convictions who are in contact with the Probation Service; people who are homeless; immigrants legally allowed to work in Ireland, who are in receipt of jobseekers' payments or One Parent Family Payment; and people who are long-term unemployed. In examining the impact of the CSP on job opportunities and career advancement, of note is the fact that a significant percentage of staff and managers are over age 55 (see figure below).

Figure 6.1: Age Profile of CSP Staff

Source: Pobal Worker Profile Report (2018)
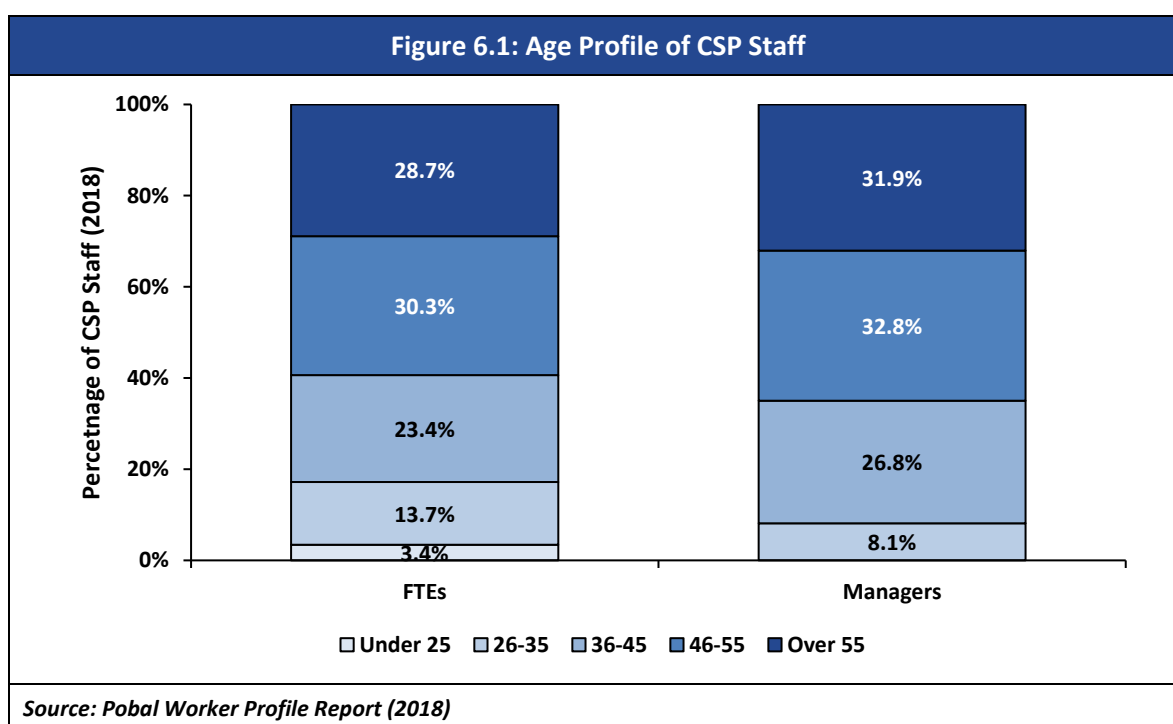
CSP staff tend to be drawn from those that are longer-term unemployed as intended by the objectives of the CSP. 7.4% of FTEs had never worked before, 18.2% were unemployed for 1-2 years, and 21.5% were unemployed for 3-5 years.

Figure 6.2: Prior Unemployment Duration of CSP Staff

Legend: 1-2 years | 3-5 years | 6-10 years | Over 10 years | No Prior year worked

Source: Pobal Worker Profile Report (2018)
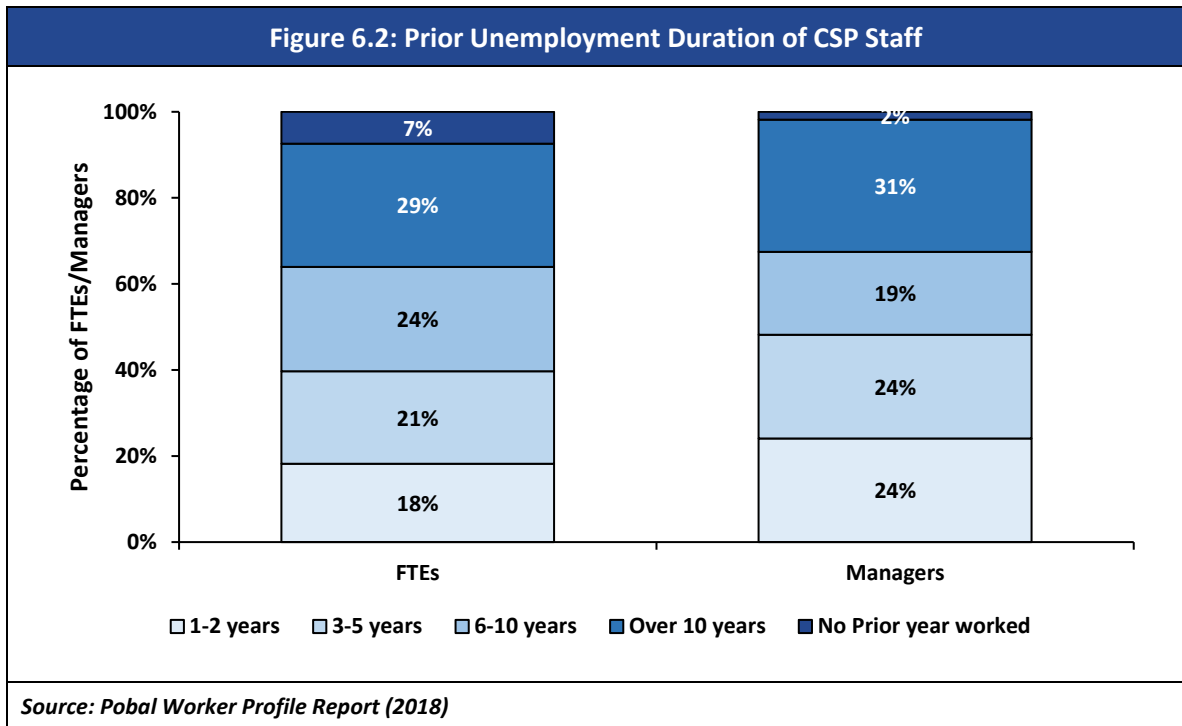
Figure 6.3 provides the educational attainment levels of CSP FTE staff and managers in 2018. The educational attainment levels of CSP-supported staff tend to be low, with 21% and 35% having only junior cycle and leaving cycle second-level education, respectively. Indecon notes that those with low educational attainment tend to have poorer employment outcomes in the labour market.

Figure 6.3: Educational Attainment Profile of CSP Staff

Legend:
- Not known
- Skilled tradesperson (Uncertified)
- NFQ 9-10 (Masters and above)
- NFQ 7-8 (Degree)
- NFQ 6 (Third level certificate/trade certificate)
- NFQ 4-5 (Leaving Certificate/Second Level qualification)
- NFQ 1-3 (Junior cycle and below)

Source: Pobal Worker Profile Report (2018)
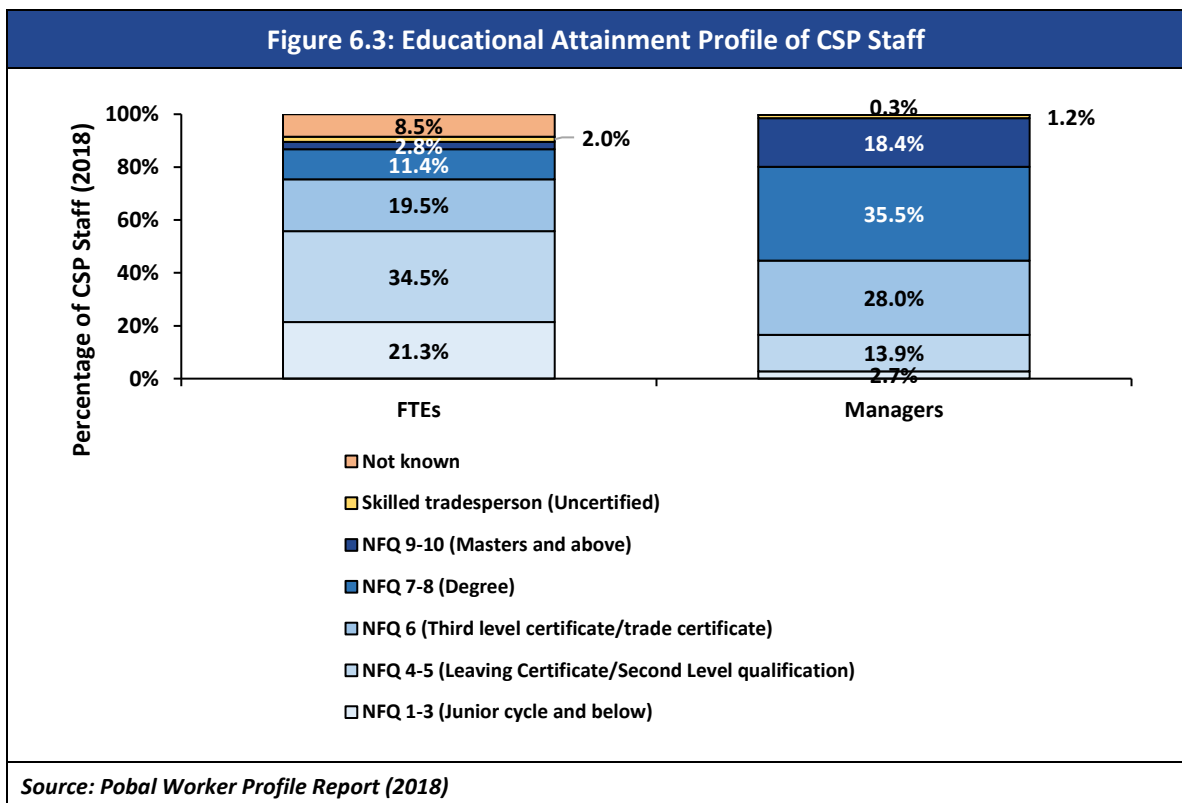
6.2   Impact on Job Opportunities for Target Groups

CSP guidelines mandate that 70% of all CSP-supported FTE contract positions (excluding managers) should be filled by individuals from designated target groups. Figure 6.4 displays the latest figures for 2018 for the number of participants on FTE contracts in CSP-supported roles, disaggregated by target group. Overall, 86% of all FTE positions nationally were filled by persons from the programme's designated target groups. However, the evidence also shows that most of these were from individuals in receipt of jobseeker's benefit/allowance. Only a small percentage of staff were from groups more distant from the labour market groups including those with disabilities, members of the Travelling community and stabilised and recovering drug misusers and people with criminal convictions.

Figure 6.4: Numbers on FTE Contracts in CSP-supported Roles by Target Groups

Source: Pobal, Draft CSP Annual Report 2018
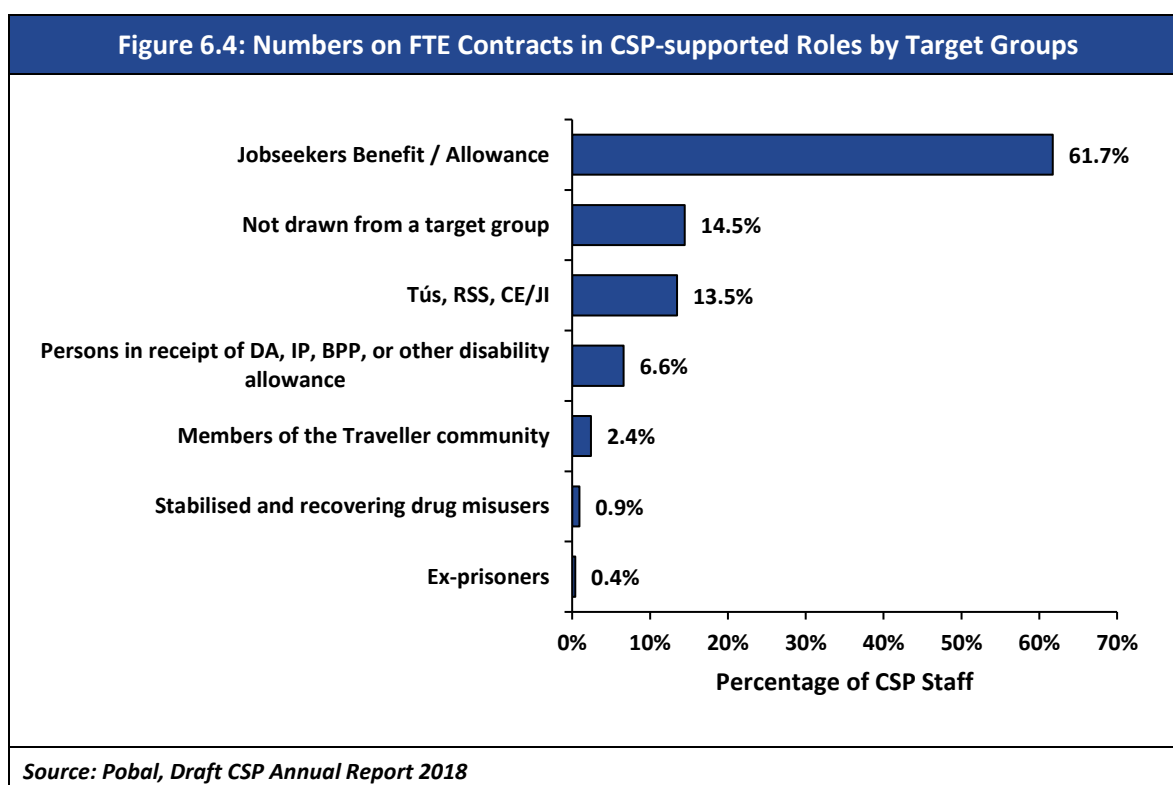
The fact that most of the jobs supported were from the unemployed and targeted groups is reflected in the views of CSP organisations which suggests positive impacts in providing job opportunities for people from marginalised communities.

Figure 6.5: Views of Organisation Managers/Chairs and Staff on Impact of CSP Funding on Providing job Opportunities for Staff From Marginalised Communities

Source: Indecon analysis of responses to Information Request of CSP Organisations and CSP-Supported Staff
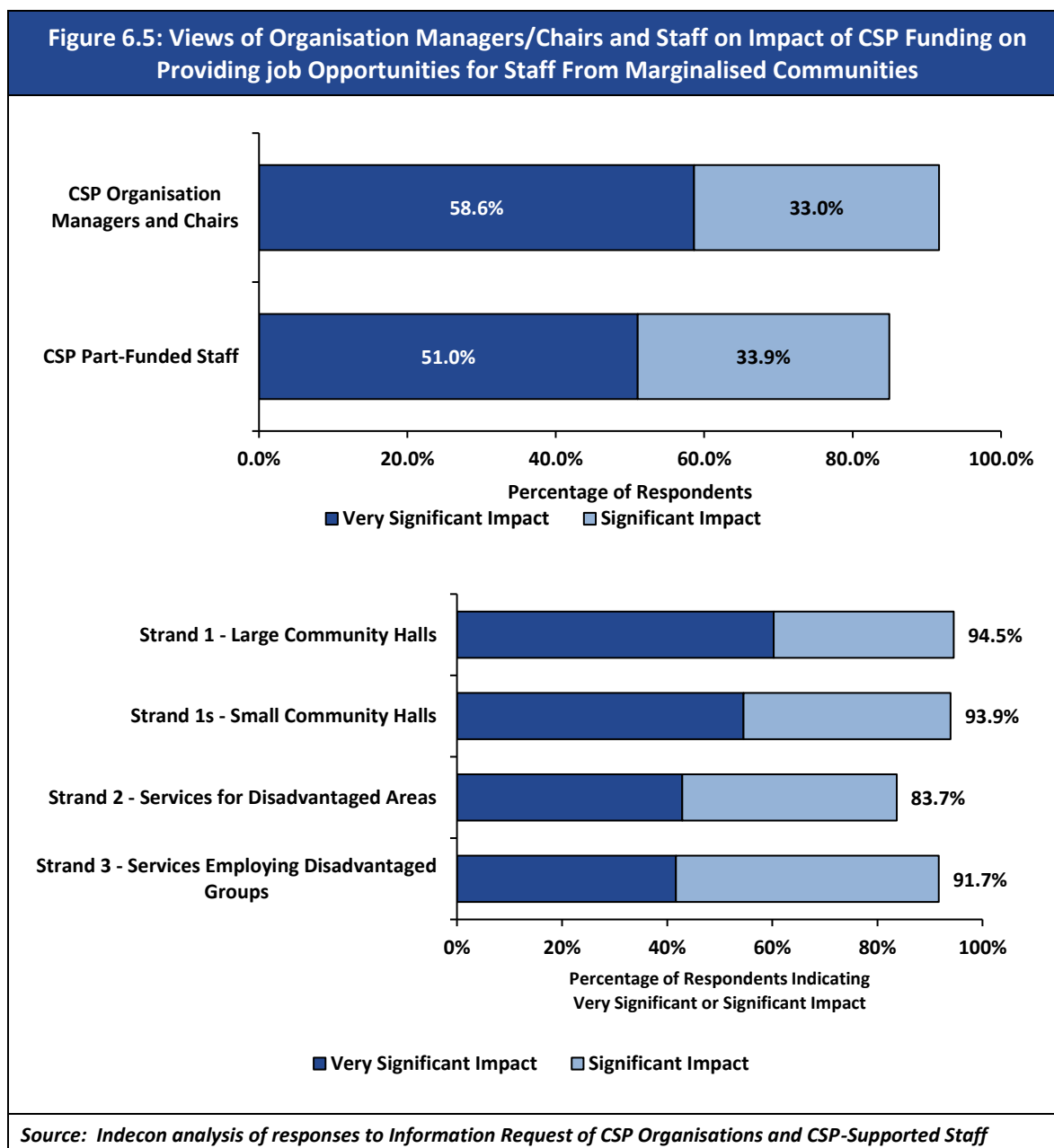
In considering the impact of CSP on job opportunities, Indecon notes that turnover of staff is relatively low and in the consultation process, many CSP organisations indicated that employment progression was not an aim, and that often it distracted from their core mandate of delivering services to vulnerable sections of society. However, for the minority of staff who left CSP organisations, most progressed to employment, education or retirement.

Table 6.1: Activity After Leaving CSP-supported Employment (2018)		
	FTEs	Managers
Full-time employment	33.3%	44.8%
Part-time employment	19.4%	24.1%
In employment	*52.7%*	*69.0%*
Back on welfare payment	11.4%	3.4%
Education/training	9.9%	3.4%
Retirement	8.1%	10.3%
Other	5.1%	0.0%
Unknown	12.8%	13.8%
Source: Indecon Analysis of Pobal data		

Indecon's survey research suggests that many CSP-supported staff felt that CSP funding enabled them to find a job where otherwise they would be unemployed.

Figure 6.6: Views of Staff on Impact of CSP Funding on Them Finding a Job Where Otherwise They Would Have Been Unemployed

Source: Indecon analysis of Information Request of CSP-Supported Staff
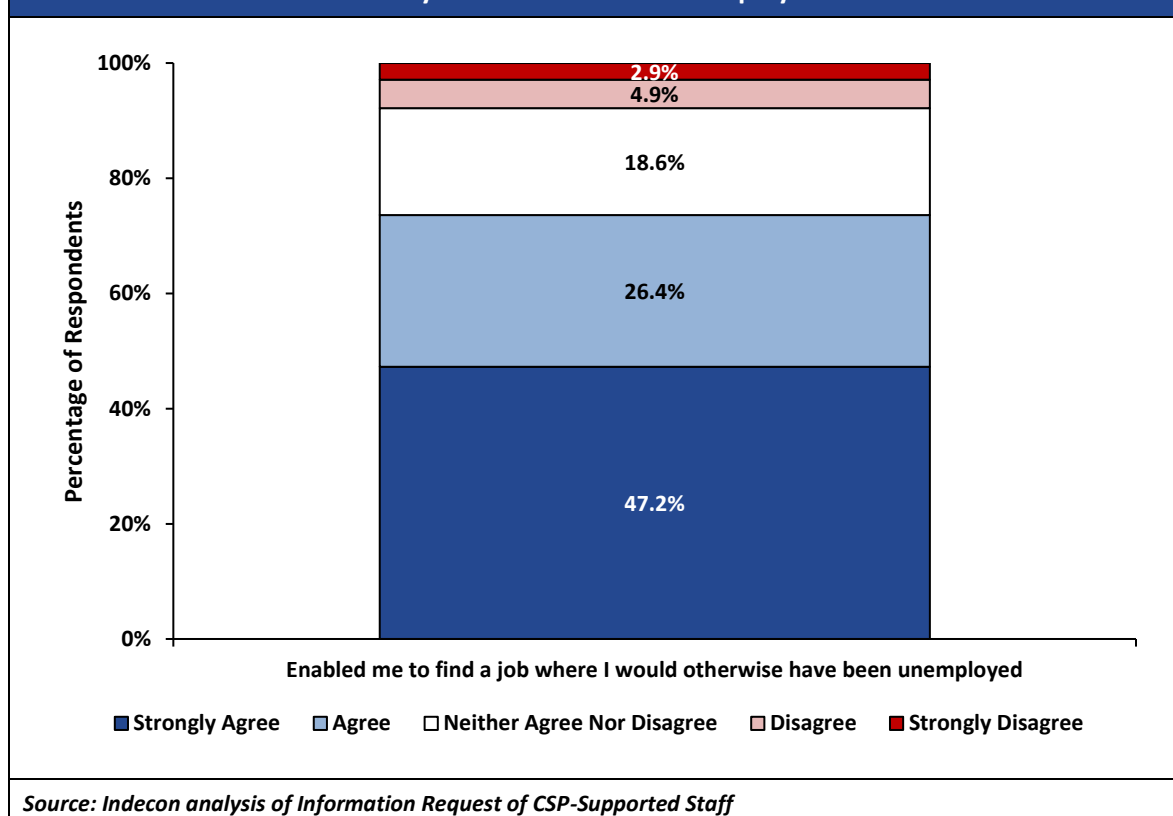
Figure 6.7 disaggregates the views on the impact on securing employment by level of educational attainment. More positive views on the impact of CSP were evident among staff who have lower levels of educational attainment.

Figure 6.7: Views of CSP-supported Staff on whether they Would Find a Job Where Otherwise They Would Have Been Unemployed, by Education Level

	Senior Secondary School (Leaving Cert) and Below	Post Leaving Certificate, Certificate or Diploma course	Degree Level and Above
Strongly Disagree		2.9%	5.5%
Disagree	3.7%	3.9%	6.3%
Neither Agree Nor Disagree	11.0%	18.4%	26.0%
Agree	23.9%	27.2%	26.0%
Strongly Agree	61.5%	47.6%	36.2%

Legend: ■ Strongly Agree ■ Agree □ Neither Agree Nor Disagree □ Disagree ■ Strongly Disagree

Source: Indecon analysis of Information Request of CSP-Supported Staff

6.3 Impact on Education and Skills

One issue raised in the stakeholder consultations was the fact that there is no formal budget for training as part of the CSP. However, employees may benefit from one-to-one support or on-the-job training.   A number of CSP-supported organisations track these interventions which suggests that significant informal training is provided but Indecon believes that there is likely to be value in additional investment in training. The US Nobel Prize Winner Kenneth Arrow has suggested that "the quality of the labour force is of even greater importance in the economic development of a country and especially in determining per capita output."[11] Indecon believes this is equally important in the community and voluntary sector.

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[11] See Arrow. K. j. (1997) Stanford University, Economic Growth Policy for a Small Country, in Gray. A. W. (ed), International Perspectives on the Irish Economy, ISBN 09531318 07.

Table 6.2: Staff/Employment Related Outputs for CSP Organisations (2018)				
	Number of Organisations Measuring Metric	**Average Provision Jan-Jun 2018**	**Average Provision Jul-Dec 2018**	**Average 2018**
Number of one-to-one support sessions provided to CSP-supported staff per year	44	20.5	26.3	23.4
Number of hours per week of on-the-job training provided to CSP-supported staff	43	12.1	18.4	15.2
Source: Indecon analysis of Pobal data				
Note: These figures are based on the number of CSP organisations measuring these metrics				

Figure 6.8 provides the views of part-funded CSP staff on the impact of the programme on encouraging educational and skills development. 79% of respondents indicated that CSP encouraged them to learn new skills and update their existing skills.

Figure 6.8: Views of CSP-supported Staff on the Impact of the CSP on Enhancing Education and Skills and on Providing Ongoing Supports in Employment

Source: Indecon analysis of Information Request of CSP-Supported Staff
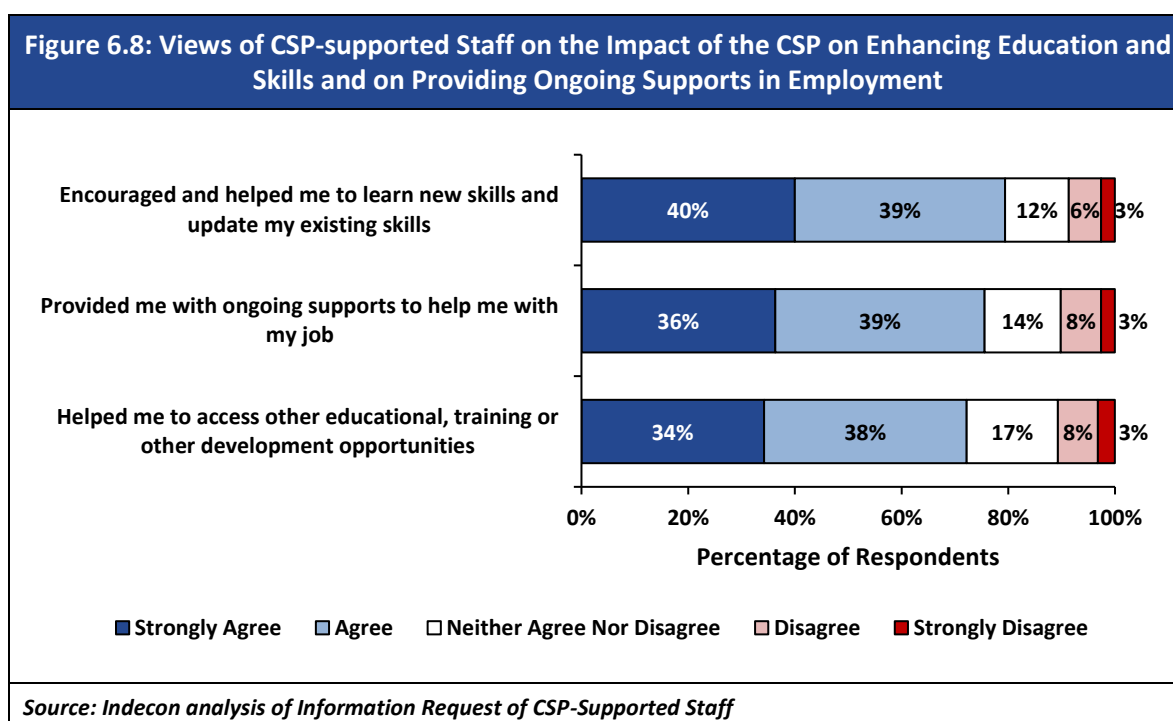
Figure 6.9 shows by level of educational attainment the views of the CSP-enabled respondents on whether the CSP encouraged and helped individuals to learn new skills and update their existing skills. Of note is that the most positive views were evident from those with lower educational levels.

Figure 6.9: Views of CSP-supported Staff on Whether the CSP Encouraged and Helped them to learn new Skills and Update their Existing Skills

Source: Indecon analysis of Information Request of CSP-Supported Staff
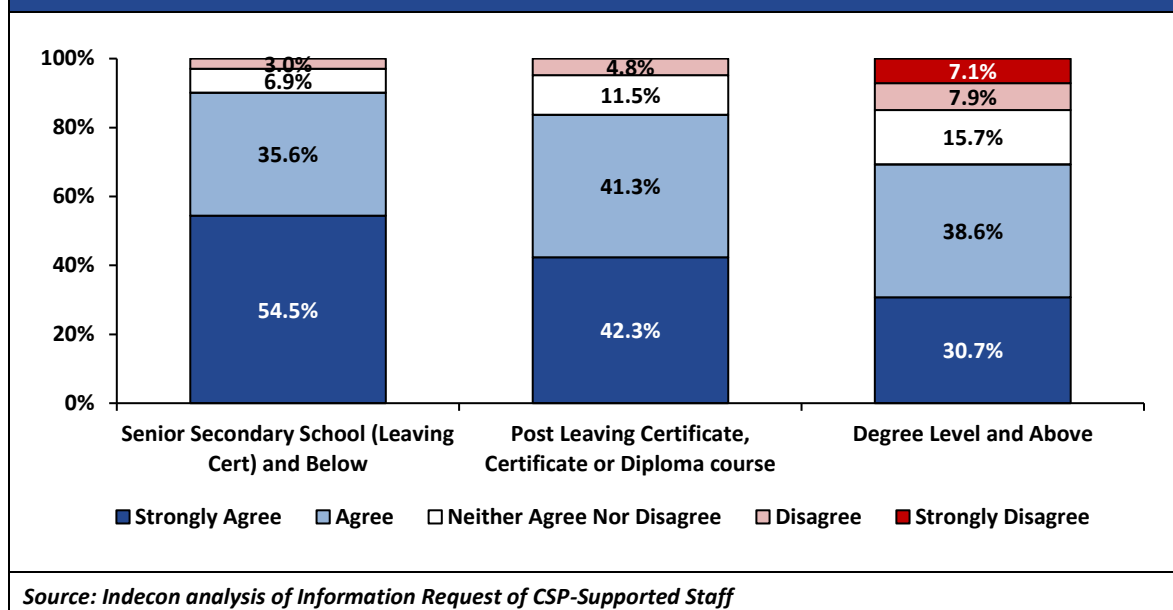
6.4 Personal Impacts on CSP Staff

While CSP is not (and in Indecon's view should not be) an active labour market programme, a positive impact on the long-term unemployed or those from specific targeted groups may indirectly contribute to alleviating disadvantage and addressing local social needs. Figure 6.10 presents the views of CSP part-funded staff on the impact of the programme on personal development. Positive views of CSP-supported staff were suggested in terms of the impact on their personal development, with most indicating that the CSP boosted their confidence and self-esteem and helped them to access other educational, training or other development opportunities.

Figure 6.10: Views of CSP-supported Staff on Impact of CSP Funding on Their Career and Personal Development

Source: Indecon analysis of Information Request of CSP-Supported Staff
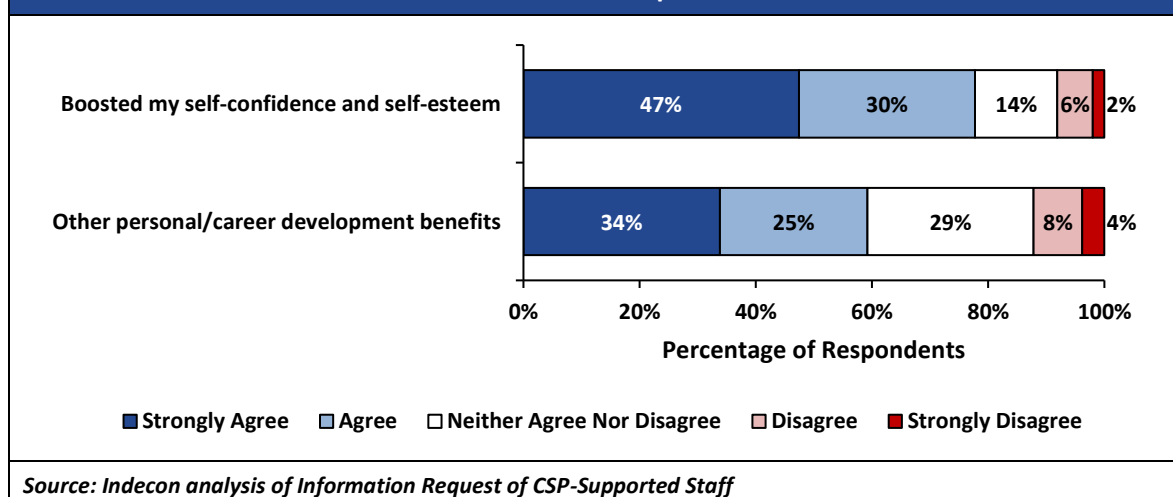
Figure 6.11 shows by level of educational attainment the views of the CSP-supported staff on self-confidence and self-esteem. Very positive views were outlined by those who had lower levels of educational attainment.

Figure 6.11: Views of CSP-supported Staff on Whether the CSP Boosted their Self-Confidence and Self-Esteem

Source: Indecon analysis of Information Request of CSP-Supported Staff
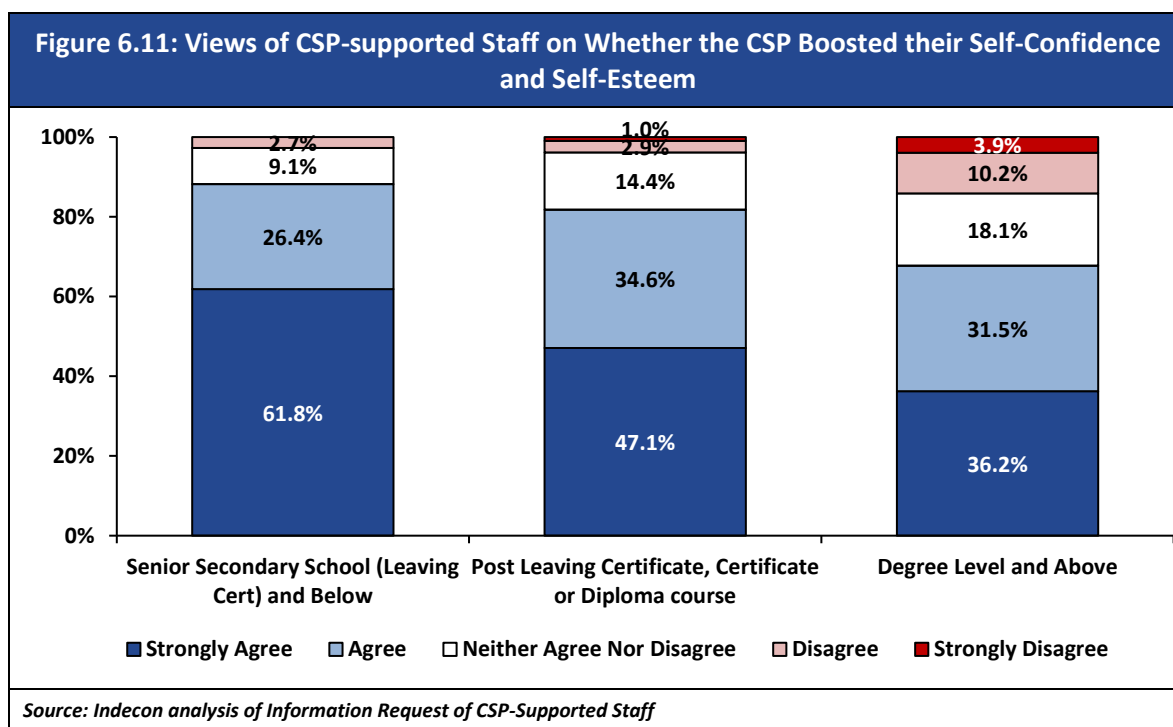
6.5   Summary of Findings

❑ One aspect of the CSP is how it impacts on career opportunities. New survey evidence suggests a significant positive impact on the provision of job opportunities for marginalised groups. Indecon notes that 86% of all FTE positions nationally were filled by persons from the designated target groups. However, our detailed analysis indicates only a small percentage of the job opportunities were to groups who are most distant from the labour market. These include individuals with disabilities, those from the Travelling community, and people with criminal convictions or recovering drug users. This is not surprising to Indecon as employing individuals from these groups often requires investment in supporting services and there is no differential payment made under the Programme to organisations supporting these individuals.

❑ An issue in terms of effectiveness is how likely is it that individuals funded would have secured employment without CSP. Counterfactual econometric modelling would have been required to formally measure this, but this was outside the scope of this review, while data to complete such analysis was not available. However, evidence from Pobal indicates that 7.4% of FTE staff had never worked before, and 18.2% and 21.5% were unemployed for 1-2 years and 3-5 years, respectively, prior to employment in their CSP organisation.

❑ A majority of those surveyed suggested that CSP funding enabled them to find a job where otherwise they would be unemployed. Indecon believes that improvements in the labour market mean that the probability of individuals securing employment has been increasing and this is an important consideration for the objectives of the Programme.

7 Programme Eligibility, Application and Governance

7.1 Eligibility and Evaluation Criteria for the CSP

The CSP supports service providers who operate what are referred to as social enterprises. Organisations that apply for CSP funding must come under one of the four following strands:

❑ **Large Community Halls/Facilities (Strand 1) and Small Community Halls/Facilities (Strand 1s):** These are services which are open to the general public rather than serving a defined client base. Examples include community centres, theatre and arts centres, and sports and leisure centres.

❑ **Community Services for Disadvantaged Communities (Strand 2):** Organisations that provide services to local, regional and national communities or communities of interest, especially to disadvantaged communities. While these CSP services should be focused on providing services to disadvantaged groups, including older people, people with disabilities and Travellers, providers may target a wider range of disadvantaged groups and communities. Examples of these services include home insulation, repair and maintenance for the homes of older people and people with disabilities; transport for people with disabilities; Meals on Wheels; community radio stations; and other forms of community media.

❑ **Companies Employing People that Are Distant from the Labour Market (Strand 3):** Organisations that operate social enterprises that provide employment for specific disadvantaged groups namely Travellers, people with disabilities, stabilised and recovering drug misusers and people with convictions who are in contact with the probation service, and other groups as determined by the programme. The aforementioned groups must make up 70% of the CSP-supported FTEs (i.e., 70% of the CSP contracted hours per week) in the Strand 3 organisation. The providers in this category must have the twin objectives of delivering services while also creating employment opportunities for specific disadvantaged groups. Examples of CSP Strand 3 services include re-use and recycling businesses, craft businesses, grounds maintenance and security services, horticulture and food production businesses.

Importantly, organisations must generate their traded income by adopting a service enterprise model of delivery, which is defined as:

> *"An enterprise that trades for social/societal purpose, where at least part of its income is earned from its trading activity, is separate from government and where the surplus is primarily re-invested in the social objective."*[12]

The table overleaf outlines the characteristics by which most CSP service providers are distinguished from other organisations in the community.

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[12] Forfás, 2013. Social Enterprise in Ireland, Sectoral Opportunities and Policy Issues.

Table 7.1: Key Characteristics of CSP Service Providers
❑ The organisation and business are started by a group of individuals within a community setting.
❑ It adopts a social enterprise approach to addressing social issues and creating positive social change and social inclusion.
❑ Any surpluses are re-invested for the purpose of that business or in the community rather than being driven to provide profit for owners or shareholders.
❑ It is an independent organisation accountable to a defined set of members and the wider community.
❑ It is democratic in its membership and decision making and governance structures generally represent their key stakeholders (community representatives, members of target groups, general community interests and specialist areas of knowledge/skills).
❑ It is participatory in nature, involving those who will be impacted by the activity or services or goods being provided.
❑ It strives to create sustainable jobs for disadvantaged target group.
❑ It holds its assets and wealth for the benefit of community, usually in the form of reserves.
❑ It encourages workers to learn and update their skills.
❑ It encourages a high level of co-operation with other social enterprises, statutory bodies and other regional/national organisations.
Source: "Community Services Programme Operating Manual 2019" by Pobal
Note: Exceptions to the above include a small number of local development companies and statutory agencies who have grant agreements under the programme, but who must adopt a social enterprise model for the CSP-supported service.

CSP-supported organisations generally viewed the eligibility regarding the type of projects and organisations supported by the CSP as being appropriate or better than other funding sources. This is illustrated Figure 7.1.

Figure 7.1: Views of CSP Organisations on the Appropriateness of Eligibility Criteria for Access to CSP Support
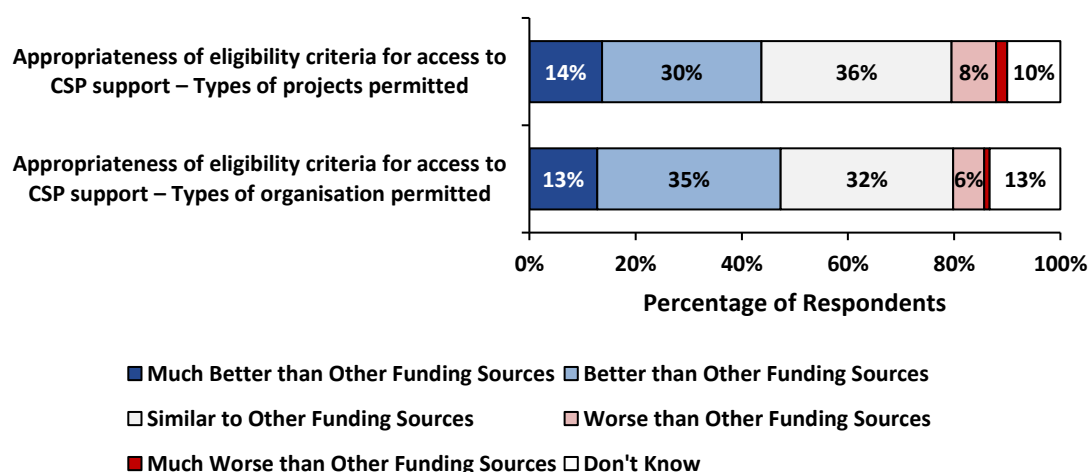
Source: Indecon Survey of CSP Organisations

In addition to the criteria outlined in Table 7.1, there are also a number of financial sustainability and related criteria that CSP service providers must abide by. These include the following:

❑ **Traded Income:** Eligible organisations are required to generate a traded income which should amount to at least 30% of the organisation's annual turnover and where the CSP grant is not in excess of 50% of the organisation's annual turnover. This traded income can come from heterogeneous sources, including sales, fees, contracts, room rental and the organisation of events. The other 20% of income can be made up of fundraising and other public funding. It must be noted that while this may not be feasible for all organisations in the short run, they are expected to move to this mix of funding sources as this is seen as securing their long-run viability. In addition, organisations with a CSP-funded manager in place are expected to progress towards achieving this funding mix by firstly trying to ensure that at least the equivalent of a CSP manager contribution (€32,000) comes from traded income.

❑ **Surplus Income:** Any surplus income generated by CSP organisations must be re-invested by the organisation to achieve its primary social and environmental objectives. Additionally, it is recommended by Pobal that the CSP service provider achieves 13 weeks of operating costs in unrestricted reserves.

❑ **Rates of Pay:** Employees are only to be partially paid by the CSP funding contribution – the remainder is expected to come from the organisation, with employers expected to pay a rate of pay to staff in line with local market rates.

❑ **Ownership and Accountability:** There are requirements in terms of good governance, in particular that an organisation in receipt of the CSP operates with clear openness, transparency and accountability in order to fulfil its remit of serving the wider interest of the local community or target group(s).

❑ **Assets:** Organisations in the CSP must ensure that their assets are protected legally and retained permanently for social benefit, with cash reserves and organisation policy needing to embody the mission statement and social objectives.

❑ **Employment:** The beneficiary organisation must be the employer of those in the CSP-funded positions. Exceptions to this can only be allowed in certain circumstances that Pobal agreed to in advance.

❑ **Displacement:** CSP-funded services must not displace commercial services and CSP funding cannot be used by the company to take actions that would cause the displacement of commercial activity. Pobal does not prevent a company from engaging in the delivery of services outside the CSP grant agreement or from participating in tender competitions in line with national and EU procurement processes. The displacement issue will be discussed in greater detail in Section 7.3.

Compliance with these criteria are monitored by Pobal. While the Department is responsible for selecting organisations for the CSP, Pobal is responsible for the operation and management of the Programme.

7.2 Application Process for Funding for Community and Enterprise Development

One of the features of CSP is the fairly complex application process for CSP funding. In order to apply for the CSP, organisations must first go through four stages, as set out below:

Stage 1: 'Expression of Interest' (EOI) process

In the first stage, an organisation seeking support under the CSP submits an Expression of Interest application directly to the Department of Rural and Community Development, who then passes this on to Pobal for appraisal. The EoI process is designed to differentiate between those organisations that are, or have the potential to be, eligible under the CSP and those organisations which are deemed to be unsuitable, without putting organisations through a full business planning and application process at the outset. It involves the completion of a 10-page application form, which is submitted directly to the Department, and sent on to Pobal for review. The Department of Rural and Community Development makes the final decision whether to proceed or not, informed by a recommendation from Pobal. Those deemed unsuitable are informed by DRCD in writing. Those that are deemed a potential fit with the CSP are referred to Pobal by DRCD to be engaged with further. The type of information requested as part of the EoI process is shown in Table 7.2.

Table 7.2: Information Fields on the Expression of Interest Form for CSP Applicant Organisations
Legal name of company/applicant (as registered with the CRO or otherwise)
Business or trading name (if different from above)

Legal form of your organisation?
     1. company limited by guarantee not having a share capital
     2. friendly/industrial provident society
 other form (specify further below)

Financial overview of your organisation
If your organisation is publicly funded or supported by public grants – please specify the programme(s) and the annual value of the fund
CRO & CHY registration numbers
Web address
Outline the purpose of your body/organisation
What best describes the services provided by your organisation? this list does not give an indication that these are the services eligible for support from the CSP
What is the catchment area for the services provided (if national, indicate if all areas of the country are covered)?
What discreet social enterprise is being proposed for CSP support?
What product or service is being sold?
How long has your organisation been delivering this service?
What needs are being met by the service and how were these identified?
How is the proposed CSP service currently resourced, including staff (paid and unpaid)?
What is the revenue generation capacity and costs of the proposal? please note the variance between the CSP contribution and the cost of employment for the minimum wage which will be €2,977 p.a. for 2019
What level of staffing support is being sought from the CSP?
What types of staffing roles are envisaged using the CSP contribution?
What target group(s) do you intend to provide employment for under the CSP programme?
Source: DRCD 2019. Guidance note for completion of expression of interest to the Department of Rural and Community Development to be considered for the submission of an application to the Community Services Programme

Stage 2: Business Planning Supports

The engagement usually begins with an on-site meeting with Pobal to discuss the service in detail and to determine the most appropriate options for the service. Depending on their state of readiness to access the CSP, they may be invited to submit a business plan right away and asked to participate in a workshop to assist them with the business planning process. Alternatively, they may be advised and supported to develop certain aspects of their service before they are ready to submit a business plan for funding. Pobal provides them with advice and support in this regard, and in some instances, they will be sign-posted or referred to other agencies for support. In many instances they require significant time to refocus or develop their service and only then are they invited to submit a business plan for formal consideration by Pobal and DRCD. During this process some services decide not to pursue CSP as an appropriate mechanism for support.

Stage 3: Submission and Appraisal of Business Plan

The business plan should define the organisation's social enterprise model and provide information on all aspects of the operations of the company. These include information on:

- ❑ The organisation's product (services/facilities);
- ❑ The organisation's market (customers/beneficiaries/users/geographical area);
- ❑ The organisation's finance (creating a surplus, achieving sustainability); and
- ❑ The organisations social impact (contributing to positive and measurable change for people).

The business plan is intended to provide a snapshot of the short- to medium-term objectives of the social enterprise organisation and projected forecasts and it is intended that as many people as possible in the organisation are involved in implementing it. Additionally, the business plan should be kept under review so that it can be updated if circumstances change. Business plans are appraised by Pobal according to the criteria set out in Table 7.3.

Table 7.3: The Measures Used by Pobal to Appraise CSP Business Plans	
Organisation Capacity	Capabilities of board of management (past performance, Governance, skills, sub committees, management of staff, board training, staff training, policies and procedures).
Strategic Fit	Whether the activities and way of working fit the objectives of the programme (e.g. alleviating disadvantage). For example: ❑ Is organisation using a social enterprise model to address a need not met by public or private services? ❑ Is organisation creating jobs for those distant from the labour market? ❑ Is organisation promoting the creating of sustainable social and economic development? ❑ Is organisation able to lever additional public investment to improve services and facilities? ❑ Is organisation strengthening local ownership through community participation in decision making? ❑ Is organisation supporting social innovation and encouraging intra-service provider sharing of learning and expertise?
Value for Money	The value for money of the organisation supported. Outputs related to the amount of investment of public funds, i.e., FTES; Outputs concerning the number of people using the facility; how these are targeted (so that all members are using), the pricing policy, the added value such as employing someone from own traded income, top-up funding, etc.
Need	Demographics of area in which organisation is operating in and how its activities are relevant to these (e.g., number of people with disabilities and how these can be assisted).
Sustainability	How sustainable the organisation is in terms of been able to pay workers at least the minimum wage. Also, whether service can attract sufficient commercial income.
Source: Pobal documentation received by Indecon	

Following submission, Pobal completes a formal appraisal of their plan. The primary reasons for new applicants not being recommended are that they are ineligible in terms of the rules of the Programme, or they are not sufficiently developed to demonstrate a capacity to operate as a social enterprise.

Stage 4: Final Decision

Pobal provides the Department with recommendations under the various criteria and the Department makes the final decision.

Appeals of Decisions

Organisations can appeal decisions made by the DRCD concerning them and the CSP through an appeals process that is operated by Pobal. The only decisions that can be appealed are:

❑ Decisions not to award a grant agreement/contract;

❑ Decisions to reduce an award following re-contracting; and

❑ Decisions to stop an award/grant that was previously awarded.

Furthermore, decisions can only be appealed on the grounds listed in the following table. The letter of appeal must clearly state which of these grounds the appeal is being made under, and each ground must be supported by evidence and a sufficient explanation to justify the appeal.

Table 7.4: Grounds for Appealing Decisions Concerning the CSP
❑ The outcome was unreasonable based on the information provided to Pobal.
❑ The decision is inaccurate based on matter of facts.
❑ The interpretation of the facts or information provided by the applicant or grant holder are subjectively incorrect.
❑ Too much or too little weight given to the available evidence.
❑ Due consideration not being given to the Applicant's/grant-holder's viewpoint, proper procedures were not followed.
Source: CSP Appeals Guidelines

Figure 7.2 shows the appeals process for organisations that have been rejected for CSP funding. The actual decision to be made on the appeal is made by the DRCD. Appeals must be submitted within 20 working days from the date of the original decision. While original documentation is reviewed, additional or new information can be provided that was not submitted in the original business plan for services already in contract with Pobal which are undergoing a re-contracting process. The whole appeals process has a guideline timeframe of eight weeks from start to completion.

Figure 7.2: Appeals Process for the CSP

Source: CSP Appeals Guidelines
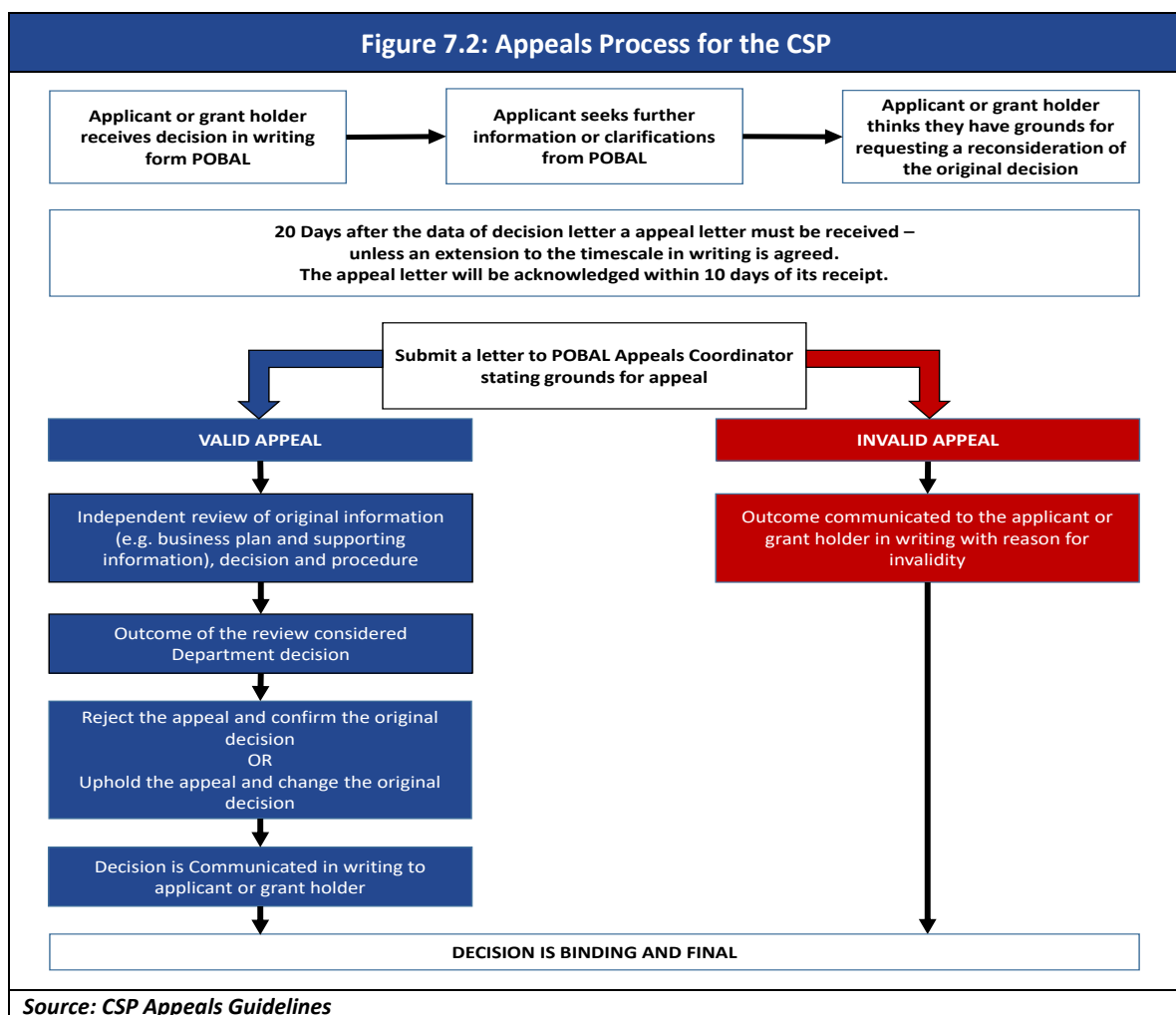
Re-contracting

In the last year of their grant agreement, CSP organisations may submit a business plan or application in order to re-contract for another stream of funding. CSP-supported organisations generally view the administrative requirements of the programme positively including the eligibility criteria, application processes and governance requirements.

Figure 7.3: Views of CSP Organisations on CSP Eligibility Criteria, Application and Contract Requirements Compared to Other Funding Sources

Source: Indecon analysis of Information Request of CSP-Supported Staff
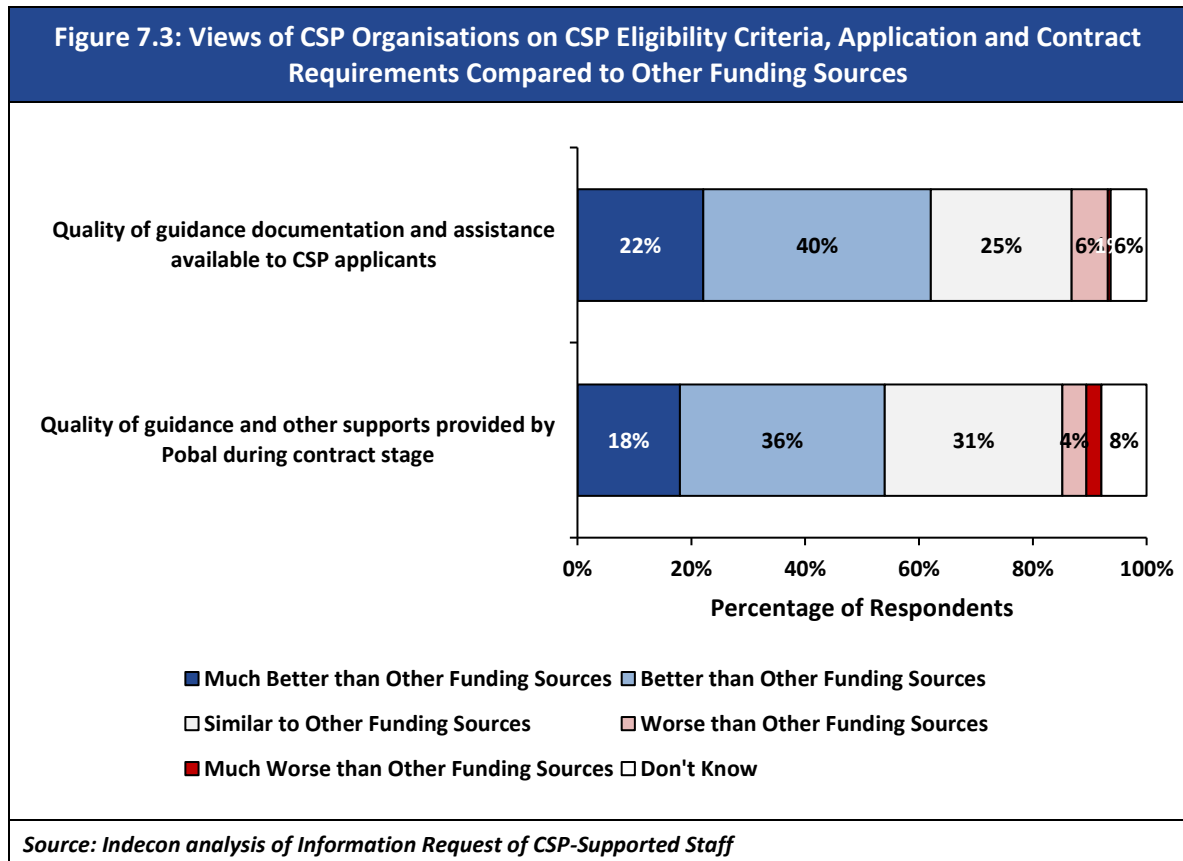
Indecon's research however, suggests there are aspects of the programme application process which were not viewed as positively and where some concerns were raised by some organisations. These include the overall transparency and appropriateness of the financial and traded income requirements. These issues were also raised with the Indecon team during the stakeholder consultations.

While not addressed specifically in the context of the administrative requirements of the programme, an important wider positive feature of the CSP is the application of a multi-annual funding contract model. This provides greater certainty for organisations to engage in longer-term planning.

Figure 7.4: Views of CSP Organisations on Aspects of the CSP Application Process

Appropriateness of Income/Financial Sustainability and related Requirements of Service Providers — 12% | 26% | 31% | 16% | 6% | 10%

Overall transparency, fairness and ease of the CSP Application Process — 9% | 35% | 34% | 11% | 9%

Percentage of Respondents

■ Much Better than Other Funding Sources □ Better than Other Funding Sources
□ Similar to Other Funding Sources □ Worse than Other Funding Sources
■ Much Worse than Other Funding Sources □ Don't Know

Source: Indecon analysis of Information Request of CSP-Supported Staff

7.3   Measures to Avoid Potential Displacement

One aspect of the Programme examined by Indecon was the issue of potential displacement. Displacement could occur where a service that is in receipt of state funding displaces commercial competitors in a market. CSP-funded services are not permitted to displace the commercial activities of private competitors in the market given the requirement to secure traded income. This issue merits examination. It must be noted that organisations in receipt of CSP funding can engage in commercial activities that are not related to the service they are providing under the CSP; however, they cannot use CSP funding to subsidise such activities. Based on data provided to Indecon by Pobal, the numbers of complaints received by Pobal from private companies concerning possible displacement by CSP organisations since the programme was established in 2006 have been very small, as indicated in Table 7.5.

Table 7.5: Complaints received by Pobal concerning Alleged Displacement by CSP-supported Services	
Type of Service	**Number of Complaints received since 2006**
Transport	2
Community Laundrettes	1
Monitoring Alarms for Older People	1
Bistros and Cafes	1
Visitor Attractions	1
Source: Pobal	

Indecon believes that in practice, most state-backed interventions have the potential to change the competitive conditions of a market,[13] and therefore it is necessary to review the approach taken to minimise displacement that may arise through the operation of the CSP. In order to mitigate displacement, Pobal issues a guidance note to some CSP-supported services to inform them if there is a risk of potential displacement and how organisations can mitigate this risk. This involves organisations completing a checklist, as shown in Table 7.6 below, as well as offering an explanation for their choice of answers as follows:

- ❑ Who the competitors of the applicants are and are there other commercial firms that produce similar products, facilities or services?

- ❑ The extent of the share of business the applicant likely to take in the market and whether the market is growing.

- ❑ The impact of the applicant's proposal on the business of its competitors and if the proposal will damage the viability of such businesses resulting in closure.

- ❑ Will the organisations proposal pose a threat to new firms who want to enter the business area, i.e., does it act as a barrier to entry?

Organisations are also asked to provide a statement of non-displacement, or otherwise acknowledgement of displacement, based on their answers to the aforementioned questions. Additionally, any supporting evidence in relation to the information provided (e.g., support letters, CCPC correspondence, complaint letters, separate accounting procedures etc.) must be provided.

Table 7.6: Summary of Questions included in Pobal Guidance Note to CSP-supported Organisations where Risk of Potential Displacement has been Identified
❑ Is there a gap in the market for your service?
❑ Are there other similar businesses in your catchment area?
❑ Have you consulted with them?
❑ Is your service different?
❑ Will the impact of your proposal threaten closure or viability of other business?
❑ Can you provide letters of support from the other businesses?
❑ Have you contacted the Competition and Consumer Protection Commission (CCPC) to clarify if there are any issues around displacement?
❑ Have you received any complaint about displacement?
❑ Does your proposal limit other businesses' ability to set prices for goods or services e.g. due to the fact that you are providing a cheaper service?
❑ Does your proposal limit the sales channels other business can use, or the geographic area in which a business can operate?
❑ Does your proposal require or encourage the exchange of information on prices, costs, sales or outputs with other businesses?
❑ Are CSP activities to be recorded separately to any private commercial activity you are undertaking?
❑ In a situation of tendering, will CSP support effect the tender price?
Source: Pobal

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[13] Competition and Consumer Protection Commission 2015, "Competitive Neutrality: Evaluating the Competition Impact of Policy Proposals – Guidance for Policymakers".

In the case where a complaint is actually made to Pobal, each case is dealt with on a case-by-case basis using the template displayed in the table below. In some cases, the Consumer Competition Protection Commission (CCPC) is involved.

Table 7.7: Pobal Checklist for Assessment of Complaints of Alleged Displacement or Unfair Competition	
Process	**Considerations for Assessor**
Is the service provider fully compliant with the Pobal grant agreement?	Need to consider the appraisal recommendation and grant agreement
Was the nature of the allegation addressed by the service in the business plan?	Need to revert to the BP and appraisal
Did they identify a gap in the market re above?	Need to state what gap and how was it identified; did their research and analysis consider the complainant(s) as part of this process
Were any steps taken to avoid displacement in these activities?	Refer to the BP and appraisal and state what the steps were
Was the nature of the complaint considered by Pobal under the appraisal of the business plan?	Need to consider proximity and similarity of roles
Is there a discernible benefit to the public from this service?	Consider that service providers who receive support under the programme are not for profit organisations who deliver a service to target groups and communities that provide 'Public Benefit' (i.e. they provide services to disadvantaged individuals and groups, training for the unemployed etc) play a vital role in our society and provide public benefit in diverse ways to communities in Ireland.
Is the complainant active in the market that it alleges displacement?	Need to ensure that the complaint is speaking in the first person and not on behalf of third parties.
Are they operating in the same geographical and/or service market?	Is it a small town/village/urban/rural or does it cross a number of counties etc.
Have prices been compared?	Is the service provider charging lower prices or offering a more competitive service as a result of the CSP funding i.e. is it operating on a full cost recovery basis?
Has the complainant provided evidence that their business is being displaced?	Has the complainant provided figures and/or proof that the business is being displaced e.g. proof of reduced turnover, reduce hours of working and/or redundancies to staff
Has the complaint been referred by the complainant to a third party or other body for advice?	Please state who the third party is and what their recommendation or commentary states. If Yes, detail advice received if known
Conclusion:	❑ The complaint is upheld; or ❑ The complaint is partially upheld; or ❑ The complaint is not upheld. Please provide a rationale for this comment.
Source: Pobal	

Complainants are considered to have a legitimate case if:

❑ The complainant and the service supported by the CSP are both operating in the same specific local market.

❑ Both the complainant and the CSP-supported organisation are addressing similar needs or benefits (e.g., delivering the same product or service) in the target market or local area and therefore are in direct competition with one another with the result that there is no clear demonstrable public benefit to publicly supporting the service.

The complainant is able to provide evidence that their turnover is decreased as a result of the CSP-supported service and through reductions in staff working hours, redundancies and other similar metrics.

As the CCPC notes, once a scheme or policy is in operation it can be difficult to change, and therefore, state-funded interventions need to be reviewed on a regular basis in order to determine if the justification that was used initially for the intervention is still in existence and that the intervention is not leading to distortions to competition in the market that are unanticipated or unnecessary.[14] Just because an organisation is set up with a social purpose to meet a need that is seen as uncommercial does not mean that the service provided by the organisation will be commercial in the future. An example of this highlighted by the CCPC is the changing market for the provision of home care for older people in recent years which has seen the development of a strong market with commercial providers. This suggests the need for CSP-supported services to be reviewed regularly in terms of whether they are an impediment to competition.

While the data on the number of complaints suggests that displacement is not a major issue it still could be the case that displacement is occurring but unreported. CCPC guidelines state that all proposals should undergo a competition test where the proposal should be assessed to determine if there are possible impediments to competition occurring. This competition test was developed for an Irish context by the CCPC, building on the competition test developed by the OECD and the UK Competition and Markets Authority.

Table 7.8: CCPC Competition Test	
Initial Test: does the proposal: 1. Directly or indirectly limit the range or number of businesses which can provide a particular good or service? 2. Limit the ability of businesses to compete? 3. Limit Businesses' incentives to compete vigorously? 4. Limit the choices or information available to consumers?	**If Yes is the answer to any of the initial test questions** 1. Are there less distortionary options available? 2. If so, select the best option? 3. Conduct and Ex-post review and assessment.
Source: Competition and Consumer Protection Commission 2015, "Competitive Neutrality: Evaluating the Competition Impact of Policy Proposals – Guidance for Policymakers".	

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[14] Competition and Consumer Protection Commission 2015, "Competitive Neutrality: Evaluating the Competition Impact of Policy Proposals – Guidance for Policymakers".

7.4   Governance, Programme Management and Evaluation

The two main governmental bodies responsible for the CSP are the DRCD and Pobal. Since January 2018 the DRCD has had statutory responsibility for the CSP. Pobal is the body that is given authority by the DRCD to manage and provide services and supports in the delivery of the programme. The relationship between the DRCD and Pobal is set out in the Performance Delivery Agreement for the CSP, the most recent one of which covers the years 2019 to 2021. The DRCD pays a fee to Pobal to run the CSP – in 2019 this fee was €2.6 million (inclusive of technical assistance).

❑ **Application Process:** Pobal is responsible for reviewing the eligibility and quality of business plans and applications in the case of new entrants. In doing this, Pobal takes into account the applicant organisation's track record and capacity to deliver the service they propose to provide. After completing an appraisal process, Pobal's board provides a report on the applicant to the DRCD – the latter makes the decision as to whether the service is to be funded with the decision communicated to the applicant in writing by Pobal.

❑ **Contract Administration and Management:** Pobal is responsible for conducting the re-contracting process for those services currently funded from the CSP by appraising business plans. Additionally, Pobal endeavours to conduct annual reviews if stipulated in the contract with the funded service provided. Pobal also deals with any contract issues including change requests to funding and contract terms as well as maintaining oversight and compliance with contract conditions. Pobal manages the process to close a contract and makes recommendations to DRCD for any significant contract changes and oversees the administration of contract addendums.

❑ **Case Management and Operational Supports**: Pobal provides support to recipients of CSP funding whom are required to report on performance, defined outputs and a number of short- to medium-term outcomes. This support can range from one-to-one support from a development staff member, business coaching, onsite support visits, information/training events and the development of guidance documents. For services which are having problems with capacity or sustainability, Pobal also conducts annual reviews.

❑ **Financial Management:** Pobal, which is responsible for making the payments to CSP service providers in line with their payment schedule, processes the six-month expenditure reports submitted by recipient organisations and reviews the annual financial statement of the aforementioned organisations. Pobal also processes budget change requests and monitors the quantity of funding and grant agreement duration.

❑ **Programme Monitoring, Analysis and Reporting:** As part of its Performance Delivery Agreement, Pobal was sanctioned to develop an updated monitoring framework for the CSP in line with KPIs agreed in conjunction with DRCD. At the end of the programme, Pobal is to compile report that will collate data and provide an analysis on progress, outputs and outcomes.

❑ **Audit and Verification:** Pobal is mandated, for a designated percentage of CSP-funded organisations, to undertake audits and on-site verification visits. These include risk audits.

❑ **Funder Liaison and Funder Queries:** Pobal is the point of contact for issues that require immediate attention from the DRCD. It is mandated to produce statistics and data as well as to prepare information for ministerial briefings, parliamentary questions or GDPR requirements.

Figure 7.5 shows the views of CSP organisations, with regard to the overall ease of the Pobal governance and contract management processes. It can be seen that 43% of respondent CSP organisations view the processes positively. However, some organisations had reservations over the Programme governance and Programme management.

Figure 7.5: Views of CSP Organisations on Programme Governance and Contract Management

Source: Indecon analysis of Information Request of CSP-Supported Staff
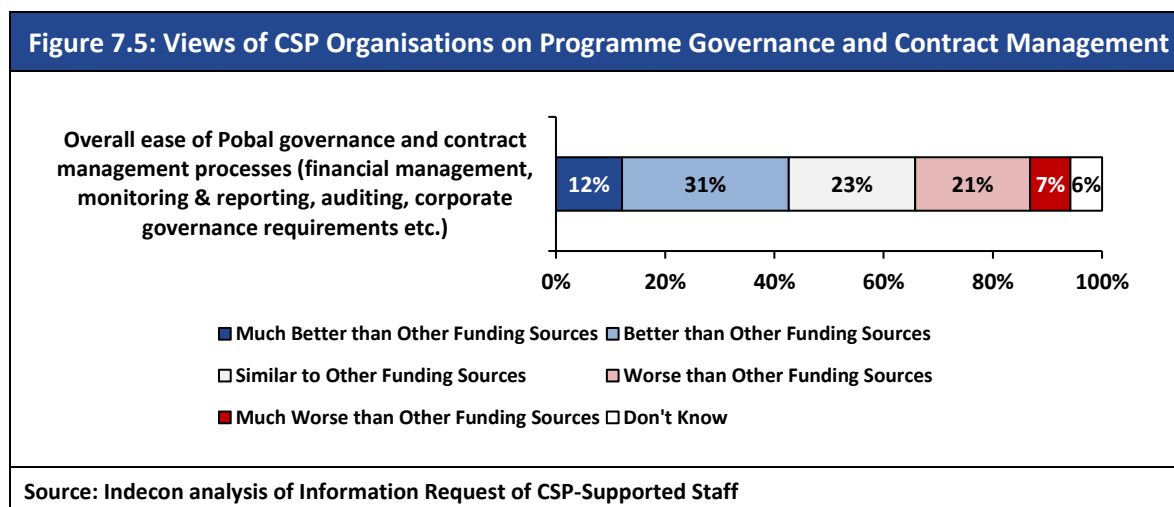
7.4.1   Programme Monitoring and Evaluation

A key aspect of best practice approaches to governance of a programme such as the CSP concerns the application of appropriate approaches to ongoing monitoring and evaluation.

This review has also examined the approaches applied in relation to ongoing programme monitoring and evaluation. In this context, we note the absence of an appropriate Programme Logic Model (PLM) framework, which maps out the structure and linkages of the programme, and establishes logical relationships between different stages of the programme that are arranged sequentially to achieve specific targets and objectives. A Programme Logic Model is a best practice, systematic tool that maps out the structure and linkages of a programme or intervention. The role of a PLM is to establish logical relationships between different stages of the programme that are arranged sequentially to achieve specific targets and objectives. The main elements of a PLM link the high-level 'intervention logic' of the programme's measures to their actual operational implementation. At a high level, the PLM examines how inputs are translated, through activities, into outputs, and how these outputs become results and outcomes. The PLM builds on the following structure:

- Inputs: the financial and human resources deployed in the design, management and delivery of the programme;

- Activities: the actions undertaken within the programme to transform inputs into outputs with the aim of meeting programme objectives;

- Outputs: the intended direct results of programme activities, such as numbers of organisations/projects supported, FTEs supported, etc.;

- Results: the more immediate effects of the outputs on the funding recipients/beneficiaries, in terms of the activities of supported organisations including services delivered, income generated etc.; and

- Impacts: the longer-run, wider effects of the programme, that demonstrate the extent to which the objectives of the programme are being achieved.

A proposed Programme Logic Model framework for the CSP, which highlights specific features, including above identified relevant key metrics, for each of the proposed sub-programmes, is presented in Figure 7.6.

Figure 7.6: Proposed Programme Logic Model Framework for Community Services Programme – Key Components by Sub-Programme

Sub-Programme 1: Improving Utilisation of Existing Community Infrastructure

INPUTS	ACTIVITIES	OUTPUT	RESULT	IMPACT
Programme Admin and Delivery Funding, incl DRCD and Pobal Expenditure	DRCD Inputs to Programme Design and Delivery	No. and Type of Community Organisations Supported	No. of Indiviuals and Groups utilising Facilities	Measures of Value of Community Infrastructure / Facilities to Users (qualitative survey evidence)
Beneficiary Organisation FTE, Manager and Operational Support Funding	Pobal Programme Management Operations, incl. Funding Disbursal	No. of FTE Staff and Managers Supported in facilities	Profile of Facility Users	
		No. and Type of Community Facilities Supported		

Sub-Programme 2: Provision of Targeted Services in Marginalised, Socially-excluded and Disadvantaged Communities

INPUTS	ACTIVITIES	OUTPUT	RESULT	IMPACT
Programme Admin and Delivery Funding, incl DRCD and Pobal Expenditure	DRCD Inputs to Programme Design and Delivery	No. and Type of Community Organisations Supported	Annual No. of Individuals Benefitting from Services by Type	Measures of Value and Impact of Services on Local Communities (qualitative survey evidence)
Beneficiary Organisation FTE, Manager and Operational Support Funding	Pobal Programme Management Operations, incl. Funding Disbursal	No. of FTE Staff and Managers Supported		
		No. and Type of Services Provided		

Sub-Programme 3: Initiation and Development of Potentially Viable Social Enterprises

INPUTS	ACTIVITIES	OUTPUT	RESULT	IMPACT
Programme Admin and Delivery Funding, incl DRCD and Pobal Expenditure	DRCD Inputs to Programme Design and Delivery	Annual No. and Profile of New Social Enterprises Supported	Employment generated / supported in Social Enterprises	No. of supported social enterprises achieving financial viability
Beneficiary Organisation FTE, Manager and Operational Support Funding	Pobal Programme Management Operations, incl. Funding Disbursal		No. of Individuals benefitting from services provided by social enterprises	

Source: Indecon

7.5   Summary of Findings

❑ Indecon's review of the Programme documentation suggests that application forms are clear and we note that assistance is given by Pobal to potential applicants as part of the application process.

❑ A majority of CSP organisations indicated to Indecon that the quality of guidance documentation and assistance available to CSP applicants was much better/better than for other funding sources.

❑ One issue identified by Indecon and also raised during the stakeholder consultation is the appropriateness of the CSP governance model, which involved both the Department and Pobal. This process is complex and includes a four-stage application and approval process. This raises issues concerning the efficiency and transparency of the process.

❑ This review has examined the approaches applied in relation to ongoing programme monitoring and evaluation. In this context, we note the absence of an appropriate Programme Logic Model (PLM) framework, which maps out the structure and linkages of the programme, and establishes logical relationships between different stages of the programme that are arranged sequentially to achieve specific targets and objectives.

❑ The review has also examined the measures applied to avoid, or minimise the risk of, potential displacement. Displacement could occur where a service that is in receipt of state funding displaces commercial competitors in a market. Organisations in receipt of CSP funding can engage in commercial activities that are not related to the service they are providing under the CSP, but they are not permitted to use CSP funding to subsidise such activities. However, based on data provided to Indecon by Pobal, the numbers of complaints received by Pobal from private companies concerning possible displacement by CSP organisations since the programme was established in 2006 have been very small. In order to mitigate displacement, Pobal issues guidance note to identified CSP-supported services to inform them if there is a risk of potential displacement and to guide them on how to mitigate this risk.   Where a formal complaint is made to Pobal, each case is dealt with on a case-by-case basis, and this process may involve the Consumer Competition Protection Commission.

8 Recommendations

8.1 Recommendations

Indecon's analysis suggests that the CSP has many strengths and has benefited local communities in a number of ways. The CSP was launched in 2006 to stimulate and support the social economy. The programme has evolved over the years in line with emerging priorities, including, for example, a strong focus on employment activation during the economic downturn. In the meantime, the external environment and government priorities have changed considerably, while the CSP's policy objectives and qualifying criteria have also evolved since 2006, mainly to manage the scale and mix of supported services and facilities rather than to meet changing government objectives. There is now an opportunity to build on the programme's achievements, while also ensuring alignment with the Government's new strategy for the Community & Voluntary Sector[15] and new National Social Enterprise Policy, and to design a more cost-effective programme that will maximise its impact in helping to build sustainable communities and reducing social disadvantage. There is, however, also a need for significant reform to align the Programme with the Department's strategic objectives and to maximise its impact. To support these goals, Indecon has developed a series of recommendations for reform, which are summarised in the table below and elaborated upon in the subsequent text.

Table 8.1: Recommendations
1. A RENEWED AND CLEAR VISION FOR CSP, WHICH ALIGNS WITH THE DEPARTMENT OF RURAL AND COMMUNITY DEVELOPMENT'S MISSION AND STRATEGIC OBJECTIVES, SHOULD BE ARTICULATED AND COMMUNICATED BY THE DEPARTMENT TO ALL STAKEHOLDERS.
2. EXISTING CSP PROGRAMME STRANDS SHOULD BE REPLACED WITH A NUMBER OF SUB-PROGRAMMES, FOCUSED ON KEY STRATEGIC OBJECTIVES.
3. SEPARATE TARGETS SHOULD BE SET FOR EACH SUB-PROGRAMME AREA.
4. RATES OF FUNDING AND ELIGIBILITY CRITERIA SHOULD BE TAILORED TO REFLECT VARIANCE IN EACH SUB-PROGRAMME AREA.
5. FOR PROJECTS FOCUSED ON ENHANCING SOCIAL INCLUSION AND SUPPORT FOR SUSTAINABLE COMMUNITIES, RESOURCE PRIORITISATION SHOULD BE INFORMED BY LEVELS OF SOCIAL DISADVANTAGE.
6. A STREAMLINED APPLICATION PROCESS IS RECOMMENDED.
7. FACILITATION OF INVESTMENT IN SKILLS SHOULD BE INTEGRATED INTO THE NEW PROGRAMME.
8. THE DEPARTMENT OF RURAL AND COMMUNITY DEVELOPMENT SHOULD EXPLORE THE SCOPE FOR ALTERNATIVE APPROACHES TO SUPPORTING SPECIFIC AREAS.
9. A PERCENTAGE OF OVERALL ANNUAL FUNDING SHOULD BE ALLOCATED TO FACILITATE A PERIODIC CALL FOR PROPOSALS.
10. SIGNIFICANT ENHANCEMENTS ARE RECOMMENDED TO SUPPORT MONITORING AND EVALUATION.
11. NEW PERFORMANCE INDICATORS SHOULD BE SET.

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[15] [15] 'Sustainable, Inclusive and Empowered Communities' – a five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024 – Op. Cit.

1. **A RENEWED AND CLEAR VISION FOR CSP, WHICH ALIGNS WITH THE DEPARTMENT OF RURAL AND COMMUNITY DEVELOPMENT'S MISSION AND STRATEGIC OBJECTIVES, SHOULD BE ARTICULATED AND COMMUNICATED BY THE DEPARTMENT TO ALL STAKEHOLDERS.**

Indecon recommends that a renewed vision for the CSP is set by the Department. A key aspect of this should be the finalisation of a vision for a reformed Programme. Indecon would suggest that the vision for the new Programme could include two main elements focussed on addressing the need to:

- Support the development of vibrant, inclusive and empowered communities; and

- Provide funding to potentially viable social enterprises.

Indecon believes that the first of these areas is consistent with the Government's new five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024[16] and the second is aligned in the National Social Enterprise Policy for Ireland. Specific measurable objectives for sub-programmes are recommended and are discussed further below. Indecon recognises that the CSP represents only one element of the policy responses required to address the challenges faced by vulnerable communities but it is critical that the CSP supports the wider policy directions. Indecon also notes that CSP-supported organisations are viewed as 'social enterprises', as this is a requirement to access funding. There is, however, a distinction between organisations providing non-commercial services to marginalised groups, and which often rely on volunteers and fundraising, and organisations that are potentially commercially viable but which have a social, societal or environmental objective. This is elaborated upon below.

2. **EXISTING PROGRAMME STRANDS SHOULD BE REPLACED WITH A NUMBER OF SUB-PROGRAMMES, FOCUSED ON KEY STRATEGIC OBJECTIVES.**

Indecon recommends that the existing strands should be replaced with sub-programmes focussed on three strategic objectives. Indecon recommends the sub-programmes should be designed to:

d) Improve utilisation of community infrastructure to support sustainable communities.

e) Provide targeted services in marginalised, socially disadvantaged communities.

f) Initiate and develop potentially viable social enterprises.

Improving the utilisation of community infrastructure is likely to enhance the impact and social return of previous investments by the Exchequer in developing community halls and other infrastructure. The benefits of such infrastructure only arise when they are used, and maximising utilisation to support sustainable communities is recommended. There is an important role for the CSP in helping local communities to enhance the utilisation of current infrastructure. This should be one of the key sub-programmes and could provide supports for community halls and for other eligible infrastructure.

The provision of targeted services in marginalised, socially disadvantaged areas can help support vibrant and inclusive communities. In identifying targeted services, this should be undertaken with care and should involve a potential list of exclusions, rather than attempting to define specific services. Service provision can help empower local communities and can directly assist in reducing

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[16] 'Sustainable, Inclusive and Empowered Communities' – a five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024 – Op. Cit.

social exclusion among marginalised groups. Indecon's analysis of the type of services currently funded under CSP suggest that continuing to support targeted services is essential to achieve the overall proposed vision of the Programme.

It is also important that, in implementing the Programme, monitoring is undertaken by Pobal to ensure that the most appropriate staff are delivering services where such services are provided by vulnerable groups and/or to vulnerable individuals in local communities.

While all of the organisations supported by CSP have objectives to achieve a societal impact, there are a number of organisations which have significant commercial income through trading of goods and services. The new National Social Enterprise Policy for Ireland identified the need to improve access to finance and funding for such social enterprises. Indecon believes that while this will require sources of funding wider than the CSP, there is a valuable role which CSP could play in the initiation and development of potentially viable social enterprises. By focussing on enterprises which are potentially viable over time, this could provide opportunities for new entrants to the Programme by tapering levels of support over time.

It should be noted that it is not proposed to change the current requirement whereby individuals from targeted disadvantaged groups must make up at least 70% of CSP funded FTE positions. However, Indecon believes that the implementation of this requirement should ensure relevance to the prevailing labour market context, including where specific skillsets may be required in some areas. This should reflect the emphasis of the CSP on community service and development, focussing on social development and disadvantaged areas, rather than labour market activation.

In addition, there is a need to ensure effective communication of the Programme and its objectives, including the proposed strands. This will necessitate greater awareness and understanding, as well as application of new operational definition of Social Enterprise, as per the National Social Enterprise Policy. In addition, it will also require effective branding, which includes highlighting the source of funding and its objectives. The approach applied by the European Commission in relation to branding and communications regarding EU structural funds could be a useful model in this context.

3. SEPARATE TARGETS SHOULD BE SET FOR EACH SUB-PROGRAMME AREA.

There is a need for separate targets to be set for each sub-programme area. These should be developed in a manner which can provide meaningful insights on how the programme is performing/under-performing. For the sub-programme concerning the utilisation of existing infrastructure, targets could be set in terms of the extent to which individuals and community groups utilise the infrastructure. For the sub-programme involved in the provision of services, targets for the number of individuals assisted, as well as for the impact of services could be developed. For the sub-programme on development of social enterprises, targets should also be set. Further details are discussed in our recommendation below on the related issue of performance indicators. Appropriate targets for each organisation should be agreed during the business planning stage with Pobal and should incorporate activities and services provided.

4. RATES OF FUNDING AND ELIGIBILITY CRITERIA SHOULD BE TAILORED TO REFLECT VARIANCE IN EACH SUB-PROGRAMME AREA.

Indecon believes that 'a one-size-fits-all' approach is not appropriate to CSP, given the diversity of activities which the Programme supports. For example, while the requirement for securing trading income may be appropriate for some commercially-focussed social enterprises and for community infrastructure organisations, it is less appropriate to organisations providing non-commercial services to disadvantaged or marginalised communities (although all organisations should continue

to strive to generate income or raise funds from a range of sources). Similarly, while a tiered programme of support involving declining levels of assistance may be appropriate for social enterprises with significant trading income or income from other fundraising or philanthropic sources, it is unlikely to be applicable to other organisations.

In addition, as a horizontal theme across the CSP, there is a need to provide a greater level of financial support to organisations employing individuals from disadvantaged or marginalised groups who are more distant from the labour market, such as people with criminal convictions, people with a disability and members of the Traveller Community. While such groups are very different to each other, they may require community organisations to provide higher levels of support to ensure that the individuals can make the most of opportunities provided. Indecon therefore recommends that the existing supports should be amended to provide a tailored package of supports reflecting the differentiated requirements for funding under each sub-programme.

In setting eligibility criteria relating to the maximum age of FTE staff supported through the CSP, Indecon recommends that the age level set should be aligned with the statutory retirement age. Other existing eligibility criteria on aspects such as the minimum wage should also be continued into the new Programme.

5.   FOR PROJECTS FOCUSED ON ENHANCING SOCIAL INCLUSION AND SUPPORT FOR SUSTAINABLE COMMUNITIES, RESOURCE PRIORITISATION SHOULD BE INFORMED BY LEVELS OF SOCIAL DISADVANTAGE.

In order to ensure that individuals most in need are supported, it is important that scarce resources are targeted. Indecon recommends that for those projects focussed on supporting marginalised communities or disadvantaged individuals, prioritisation should be informed by evidence on the existing levels of social exclusion in different areas. This should be informed by reference to Pobal's deprivation index.

6.   A STREAMLINED APPLICATION PROCESS IS RECOMMENDED.

There are four stages of the CSP application and approval process. In the first stage, an organisation seeking support under the CSP submits an Expression of Interest application directly to the Department of Rural and Community Development, who then passes this on to Pobal for appraisal. The Department makes the final decision whether to proceed further, informed by a recommendation from Pobal. Following this, Stage 2 involves planning supports provided by Pobal to support an organisation develop a Business Plan. Organisations may then be invited to submit a business plan right away, or advised and supported to develop certain aspects of their service before they are ready to submit. During this process some organisations decide not to pursue CSP support. Stage 3 involves the preparation and submission of a business plan. Finally, under Stage 4, Pobal assesses this business plan and makes a recommendation to the Department regarding a potential CSP contract, with the Department making the final decision.

While having the potential to secure advice from Pobal is of value to some organisations, and while this might entail a process involving an EOI and subsequent submission of a business plan, Indecon believes there should also be an option whereby organisations that meet defined criteria could directly submit an application and business plan to Pobal as part of a fast-track appraisal process. Overall, we believe that applications should be submitted directly to Pobal and we do not see any requirement for the Department to be involved in the decision/approval process once clearly defined objective criteria are set and are implemented on a consistent basis by Pobal.

We also accept the importance of having an objectively-based and robust appeals process, and we note that a procedure currently exists whereby the outcome of any appeal review is considered by the Department. However, in line with best practice in relation to good governance, consideration should be given to an appeals process which is separate from the funding approval process.

Overall, Indecon believes that a much more simplified application and approval process would reduce administrative costs, improve transparency and expedite decisions. A more streamlined approach is particularly appropriate given the limited scale of financial assistance provided in many cases.

7. FACILITATION OF INVESTMENT IN SKILLS SHOULD BE INTEGRATED INTO THE NEW PROGRAMME.

Indecon recommends that the new Programme should facilitate investment in skills. This should include allocation of funding, subject to Pobal assessment and recommendation on individual organisation needs, and ensuring no potential duplication with SICAP and other funding channels, to support capacity-building and training in governance and in other skills required to ensure sustainable organisations. This applies to organisation boards, as well as managers and FTE staff. This recommendation is consistent with the objective, as set out under the Government's new strategy for the Community & Voluntary sector[17], to strengthen governance and operational capacity in organisations.

8. THE DEPARTMENT OF RURAL AND COMMUNITY DEVELOPMENT SHOULD EXPLORE THE SCOPE FOR ALTERNATIVE APPROACHES TO SUPPORTING SPECIFIC AREAS.

Currently there are a range of activities that CSP does not support, where these are seen as being more appropriately funded by other sources. This is a sensible policy, but in some cases, this approach only applies to new entrants, while existing organisations continue to be funded by the Programme. In many cases, however, activities were originally funded by the CSP prior to the establishment of other Government Departments who now have primary responsibility for the relevant areas. Examples of such legacy areas include childcare services, which would in Indecon's view be more appropriately funded by the Department of Children and Youth Affairs, and energy efficiency initiatives, which would now be more appropriately supported by the Department of Communications, Climate Action and Environment. Reviewing the responsibility for specific areas across Government Departments, to ensure that they are supported by the most relevant departments where these areas are a primary focus, would likely enhance outcomes and ensure that learning from CSP activities inputs to wider policy-making. It would also ensure that organisations could potentially benefit from a wider range of supports. This review should include identifying areas of activity that are not currently supported by the CSP but which could be taken within the remit of the Programme/DRCD, as well as legacy activities which would be more appropriately supported by other Government Departments. It is important, however, in examining the scope for potential re-organisation of funding supports across Government Departments, that the added-value contribution of individual organisations is not overlooked.

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[17] [17] 'Sustainable, Inclusive and Empowered Communities' – a five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024 – Op. Cit.

9. A PERCENTAGE OF OVERALL ANNUAL FUNDING SHOULD BE ALLOCATED TO FACILITATE A PERIODIC CALL FOR PROPOSALS.

The existing CSP programme has very few exits or new entrants. This is not aligned with best practise in ensuring supported organisations are incentivised to perform and is inconsistent with facilitating innovation and new entrants. Given the dependence of the existing CSP organisation on funding and the limited resources available, this is a challenge for the Programme. Indecon however recommends that a percentage of funding, from within existing budgets, should be allocated to a periodic call for proposals. Existing as well as new entrants should be permitted to apply, where they meet eligibility criteria. Varying the duration of individual contracts, by releasing funding on a more frequent basis, would also facilitate the introduction of a periodic call for proposals and would enable funding to be provided to new entrants.

10. SIGNIFICANT ENHANCEMENTS ARE RECOMMENDED TO SUPPORT MONITORING AND EVALUATION.

Indecon is very conscious of the need to minimise the administrative burden on small community and social enterprises. However, it is important that a limited amount of calibrated information is obtained to ensure effective monitoring and evaluation. Indecon believes that it is in the interest of the community and voluntary sector as well as policymakers that there is effective monitoring and that the impacts of the Programme are demonstrated. Indecon has concluded that the existing monitoring and evaluation are not adequate. This will require the development of appropriate Programme Logic Model (PLM) framework, and the collation of additional evidence on programme inputs, activities, outputs, results and impacts of measures. It will also require the setting of appropriate programme- and sub-programme-level Key Performance Indicators (KPIs) and associated targets (see further below). All of these issues should be addressed in a reformed and restructured programme, and will assist the Department in having a better evidence base to inform policy.

11. NEW PERFORMANCE INDICATORS SHOULD BE ESTABLISHED.

Indecon recommends that an appropriate system of performance indicators should be established to support ongoing monitoring and evaluation of the CSP. These indicators should form part of appropriate Programme Logic Models that are tailored to the specific features and requirements of each of the proposed sub-programmes/strands.

For the proposed sub-programme focussed on improving the <u>utilisation of existing community infrastructure</u>, Indecon recommends that these indicators should include:

- Number of individuals per annum using infrastructure.
- Number and extent of usage of community groups utilising the facilities.
- Qualitative survey evidence on the value of infrastructure to users. To ensure consistency and objectivity, and to minimise administrative/costs for organisations, this survey should be designed by Pobal and undertaken by supported organisations. However, the merits of Pobal undertaking a separate, independent survey every 2-3 years should also be considered.
- Profile of users.

For the proposed sub-programme focussed on <u>provision of community services</u>, performance indicators could include:

- Number of individuals benefiting from service provision.
- Annual levels of services provided by nature of service.
- Qualitative evidence on the impact and value of services provided.

For the proposed sub-programme on <u>social enterprises</u>, Indecon recommends that performance indicators should include:

- Number of new social enterprises supported.
- Employment generated in social enterprises assisted.
- Number of social enterprises in the Programme achieving or improving their financial viability.
- Qualitative evidence on the impact and value of goods/services provided.

Indecon also recommends that targets are set for the horizontal objective of the Programme to achieve increased employment for disadvantaged groups. Indecon recommends that these should include:

- Number of job opportunities provided for individuals most distant from the labour market, including separate monitoring of employment of individuals in groups/categories including, but not limited to, persons with disabilities, Travellers, people with criminal convictions and recovering drug users.
- Number of long-term-unemployed provided with job opportunities.
- Progression to non CSP employment of individuals assisted which would support wider community development.

8.2 Overall Conclusion

The CSP supports community-based organisations to deliver social, economic and environmental services that tackle disadvantage. It is focused on areas where the provision of services by the public and private sectors is low or lacking, due, for example, to such areas being geographically or socially isolated or having a level of demand that is not sufficient to support the market-based provision of such services.

Indecon's detailed examination indicates that the CSP has many strengths and has benefited local communities in a number of ways, including:

- The programme delivers a total of €43 million in funding support across 413 organisations across the State (as of October 2019);
- These organisations provide a diverse range of valuable community and social services, while they also employ almost 2,000 staff nationally, including individuals from a range of disadvantaged groups;
- An important result of the programme is in relation to how it supports the provision of services to marginalised groups that would not otherwise have been provided;

-   The reach of the CSP in local communities is evidenced by the data of footfall, which indicates that a total of 14.6 million people availed of CSP-supported community halls and other service facilities during 2018;

-   The benefits of the CSP are facilitated through the programme's use of multi-annual funding contracts, which provide greater certainty for organisations to engage in longer-term planning.

The CSP has evolved since its inception in 2006, and the external environment and government priorities have changed considerably. There is now an opportunity to build on the programme's achievements, while also ensuring alignment with the Government's new strategy for the Community & Voluntary Sector[18] and new National Social Enterprise Policy. In this context, it is hoped that the evidence, analysis and recommendations in this report will assist policymakers, in consultation with community & voluntary organisations and social enterprise stakeholders, to design a more cost-effective programme that will maximise its impact in helping to build sustainable communities and reducing social disadvantage.

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[18] [18] 'Sustainable, Inclusive and Empowered Communities' – a five-year strategy to support the community and voluntary sector in Ireland 2019 – 2024 – Op. Cit.

Annex 1   International Review

The CSP has a range of distinctive features which includes a number of best practice measures of programmes internationally. These include the tripartite focus on attending to market failures in communities (i.e., where the provision of a service is lacking due to the private or public sectors not meeting demand); creating social enterprises that can be commercially viable; and providing employment to those from disadvantaged communities. Examples of other programmes reviewed internationally include:

- ❑ UK: Social Incubator Fund; Big Society Capital Fund; Social Outcomes Fund; Social investment tax relief; Aspiring Communities Fund; and Investing in Communities Fund;

- ❑ Belgium (Flanders): SINE (Sociale Inschakelingseconome);

- ❑ Czech Republic: OPHRE Scheme (Social Economy);

- ❑ New Zealand: Community Organisation Grants Scheme; Community Development Scheme; Community Internship Programme; Youth Worker Training Scheme; and

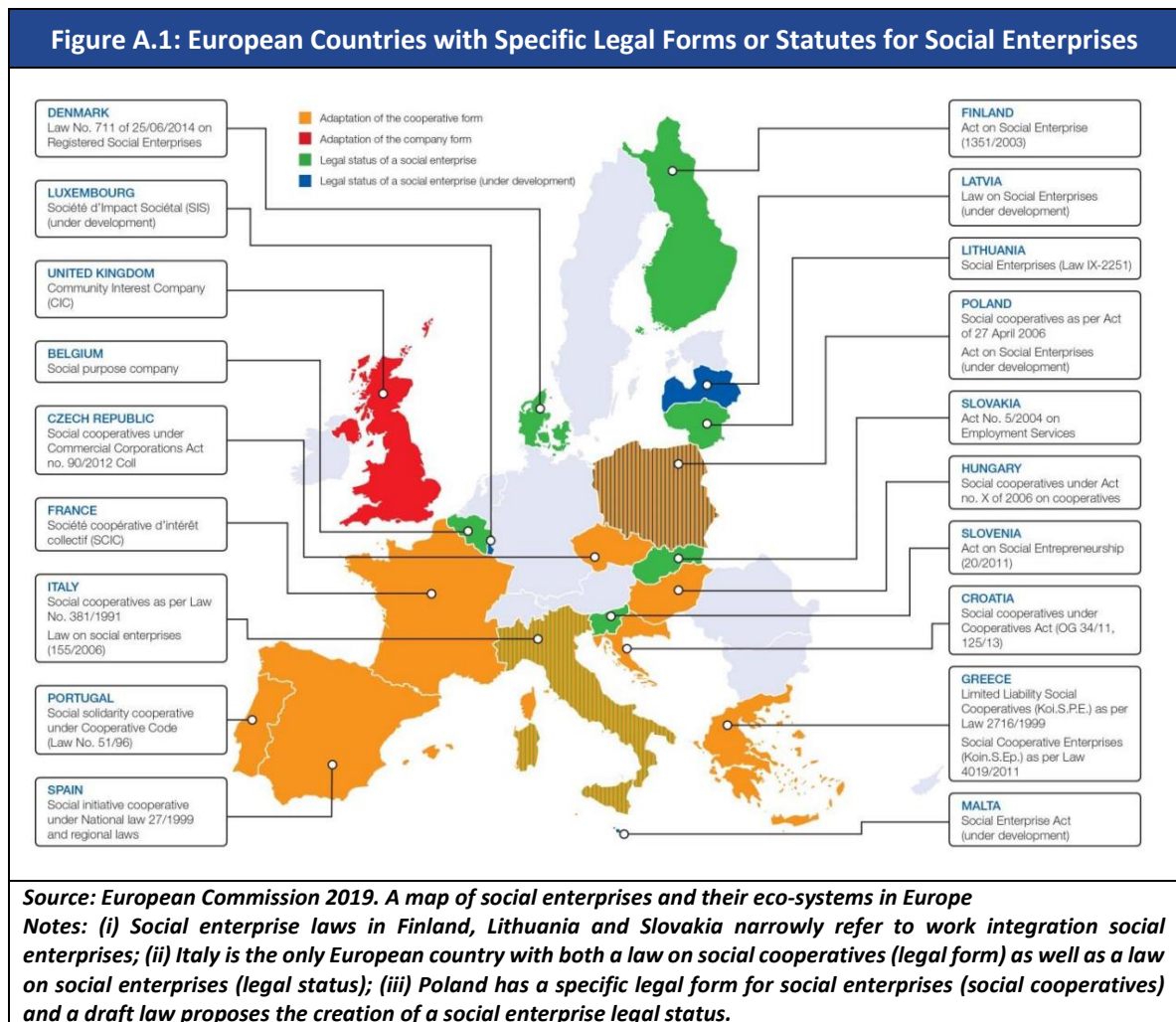- ❑ Australia: Grants SA scheme; Tasmanian Community Fund; My Community Project.

Indecon notes that the CSP has some similarities also to a number of initiatives that have been implemented in Scotland and other parts of the UK. These include "community anchors" models. These have some similarities to the Irish CSP in terms of helping disadvantaged communities and providing services where the public and private solutions have failed to meet provision. A recent report has defined as "community anchors" community organisations that have the following three aspirations:[19]

- ❑ Community led or controlled: the organisation has robust local community governance and connections with community networks as well as financial self-sufficiency for core work sustained through community ownership.

- ❑ Holistic, multi-purpose or inherently complex: the organisation is concerned with the local economic and social capital, local leadership and advocacy and community sector development, among other things.

- ❑ Responsive and committed to local community and context: the organisation responds to its context, e.g., urban, rural, remote, or is concerned with experiences of poverty, deprivation and inequality.

Further details of a number of schemes in other countries are included in this annex. Indecon's analysis of international experience shows that there is no one appropriate model and each country has designed programmes to address specific targeted needs. The CSP has been developed in a manner which takes account of elements of international best practice, although reported major reforms to the Programme are now required.

Internationally, there has been a focus in recent years in many developed economies towards strengthening the role of social enterprise in providing services that are not met by the public or private sectors. The legal forms for social enterprises in European countries are geographically illustrated in the figure overleaf.

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[19] Henderson, J., Revell, P. and Escobar, O. 2018. Transforming Communities? Exploring the Roles of Community Anchor Organisations in Public Service Reform, Local Democracy, Community Resilience and Social Change.

Figure A.1: European Countries with Specific Legal Forms or Statutes for Social Enterprises

Source: European Commission 2019. A map of social enterprises and their eco-systems in Europe
Notes: (i) Social enterprise laws in Finland, Lithuania and Slovakia narrowly refer to work integration social enterprises; (ii) Italy is the only European country with both a law on social cooperatives (legal form) as well as a law on social enterprises (legal status); (iii) Poland has a specific legal form for social enterprises (social cooperatives) and a draft law proposes the creation of a social enterprise legal status.

In the course of this sub-section, best practice measures will be examined from the United Kingdom (Including Scotland), the Czech Republic, Belgium, New Zealand and Australia.

United Kingdom

In contrast to the broad nature of the CSP programme in Ireland, similar programmes in the UK have a narrower focus. There are a number of schemes aimed at developing social entrepreneurship in the UK which are delivered through partnerships or networks of support providers. However, outcomes tend to be assessed via consultancy reports after a round of funding is complete – mandatory reporting systems of data are not in place.

Social Incubator Fund: Is run by Office for Civil Society and delivers grants to social incubators via the Big Lottery Fund. Since it was launched in 2012 it has, via three rounds of funding, invested £10 million in 10 incubators. Each supported incubator is expected to have the capacity to assist 50 social enterprises and to provide a range of support methods. The fund is also aimed at attracting new incubators to the market.

Investment and Contract Readiness Fund: Was launched in 2012 and provided funding to assist social enterprise ventures, via grants of £50,000 to £150,000, in securing investment and to bid for public service contracts. Schemes were aimed at social enterprises that have the potential to provide services and a positive social impact but are not yet in a position to take on loans. In total, 155 ventures benefited with an average grant of £2.8 million. The fund was managed by the Social

Investment Business – which is the social enterprise department of the Adventure Capital Fund. It was open to applications from social ventures on a rolling basis. The fund has since been wound down.

The Big Society Capital Fund: Was established in 2012 as part of the Conservative Government's Big Society Programme, which was in part focused around the delivery of public services in light of austerity cuts. The fund invests in social investment finance intermediaries (SIFIs) (fund managers and social banks) using up to £400 million from dormant bank accounts and £200 million from the top four largest high street banks in the UK. Since its inception, the fund has made available new capital of up to £1 billion to organisations with a social mission, with a key focus on supporting communities to improve lives, and early action to prevent problems. Many investments made by the Big Society Capital Fund support other charitable and private funds that provided finance to social enterprises, including the Community Investment Fund that provides loans and equity to community based social enterprises and charities in England.

Social Outcomes Fund: Is a £20 million fund that is intended to address complex social issues in the UK, such as youth unemployment and homelessness, by helping to align local and central government budgets in order to assist the growth of social impact bonds. The fund has contributed to the development of over 50 social impact bonds. It was intended to provide a top-up contribution to outcomes-based commissions such as social impact bonds or payment by results, in order to lead to the development of innovative projects in areas where no single commissioner is able to justify making all of the outcomes payments.

Social investment tax relief: Was Introduced in 2014 to provide organisations that invest in qualifying social organisations a tax reduction of 30% on their investment in such organisations. Organisations can receive tax-advantaged investment of up to £290,000 over three years.

Scotland

In Scotland, a number of initiatives have been implemented in order to tackle the issues that affect disadvantaged rural and urban communities. These are intertwined with the concept of "community anchors", a model that is also present in other parts of the UK. These are similar in aims and scope to Irish CSP in terms of helping disadvantaged communities and providing services where the public and private solutions have failed to meet provision. The Community Anchor system in Scotland has been boosted by the 2011 recommendations of the Christie Commission on the future delivery of public services. This recommended that reforms to public service delivery should have the aim of empowering local communities by involving them in the design and delivery of them as well as recommending increases in expenditure on services to prevent negative outcomes from arising. Additionally, it was recommended that public services, be they provided by the public, private or third sectors, be more integrated with one another though collaborative and cooperative work practices (service sharing etc.) in order to reduce service duplication.

A recent report has defined as "community anchors" community organisations that have the following three aspirations:[20]

❑ **Community led or controlled:** the organisation has robust local community governance and connections with community networks as well as financial self-sufficiency for core work sustained through community ownership.

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[20] Ibid.

❑ **Holistic, multi-purpose or inherently complex:** the organisation is concerned with the local economic and social capital, local leadership and advocacy and community sector development, among other things.

❑ **Responsive and committed to local community and context:** The organisation responds to its context, e.g., urban, rural, remote, or is concerned with experiences of poverty, deprivation and inequality.

It is important to note that "community anchors" are not a programme of support in and of themselves. They are instead a model for the delivery of services to vulnerable communities that draw funding from a number of areas.

The Scottish Government's 2011 regeneration policy advocated for a system of community anchors which would generate community-led regeneration through providing and building the capacity for local leadership, development and the provision of services and activity. The two most likely sources for these community anchors were identified as being Community Development Trusts (CDTs) and Community-Controlled Housing Associations (CCHAs) (also known as community-based housing associations), with other sources of anchor organisations being community councils, community social enterprises. However, there is at present no legal definition of community anchors and therefore they can take a variety of legal forms, such as Community Benefit Societies, Companies Ltd by Guarantee and Community Interest Companies (CICs). The CIC was a legal form developed in 2005 for social enterprises as a special type of limited company that benefits the community rather than shareholders.[21] Often community anchors have charitable status.

This meant that there was a shift in the model of funding of social enterprise in Scotland, from a grant funder-led model to a social investment model, where the social return on investment is considered an important factor. By 2017, there were 5,600 social enterprises operating in Scotland, 34% of which were located in rural areas and 64% of which were led by women, and employed 81,357 full-time equivalent employees and contributed £2 billion in Gross Value Added to the Scottish economy.[22]

Organisations are funded through a variety of means and among the main public supports available are two funds under the **Empowering Communities Programme.** These funds are namely the Investing in Communities Fund (ICF) and the Aspiring Communities Fund (ACF).

The Investing in Communities Fund (ICF): is a fund which provides investment to most disadvantaged or fragile communities to develop resources and resilience in order to decide their own aspirations, priorities and solutions in response and to tackle all forms of poverty on the ground. This fund distributes awards of between a minimum of £3,000 for a consecutive six-month period to a maximum of £250,000 over three consecutive years.[23] A central idea of this fund is that communities themselves are involved in decision making in tackling poverty. Among the main aims of the ICF are:

❑ Building community capacity and strengthening community anchor organisations;

❑ Better understanding and identification of their local aspirations and priorities;

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[21] See: https://www.gov.uk/set-up-a-social-enterprise

[22] Social Enterprise in Scotland: Census 2017. Available at: https://www.socialenterprisescotland.org.uk/files/4de870c3a3.pdf

[23] Scottish Government 2019. Guidance Notes – Empowering Communities Programme: Investing in Communities Fund 2019-2020. Available at: https://www.gov.scot/binaries/content/documents/govscot/publications/form/2019/05/investing-in-communities-fund-application-form-and-guidance/documents/investing-in-communities-fund-application-guidance/investing-in-communities-fund-application-guidance/govscot%3Adocument/Investing%2Bin%2Bcommunities%2BFund%2B%2528ICF%2529%2B-%2B2019-20%2B-%2BApplication%2BGuidance%2BNotes%2B-%2BFinal%2BMay%2B2019.pdf

❑ Increasing active inclusion and developing opportunities for enhanced engagement for groups who are more vulnerable and harder to reach;

❑ Creating local plans and proposals in collaboration with partners;

❑ Prioritising local budgets and access funds;

❑ Developing local assets, services and projects that respond to the needs of the people in their communities;

❑ Delivering community-led solutions that tackle priorities that matter most to communities; and/or

❑ Developing local interventions which offer opportunities and pathways for social and community integration.

The ICF is flexible in terms of its design which is intended to reduce the administrative burden of applying to multiple funds. Organisations or individuals can apply for funding over more than one year (multi-year awards) in order to provide stability of community led activities, a recognition of the point that longer-term planning and support are required to enable communities to tackle the interwoven and complex problems that affect people and communities in poverty, disadvantage and inequality. Applicants submit a project proposal with their application – such a proposal must demonstrate evidence that the local community has been consulted on the proposal's development and delivery, and that strong local partnership and community engagement to address local circumstances and needs must be evidenced in the application.[24] Organisations that are eligible for the fund include Community Anchors (described previously), community councils, third sector organisations that promote or improve the interests of their communities and community social enterprises that re-invest profits generated for the sustainable and lasting benefit of the local communities being supported.[25] All applications are assessed by an independent assessment panel made up of representatives from stakeholders including third sector organisations, local authorities, and the Scottish Government and government agencies.[26] This ensures a more fair and transparent decision making process. However, all panel decisions are final and there is no appeals process.

The Aspiring Communities Fund: is a fund that has the aim of helping community bodies and third sector organisations in the deprived and fragile communities in Scotland in order to develop and deliver long-term local solutions which address local priorities and needs, increase active inclusion and build on the assets of local communities to reduce poverty and to enable inclusive growth. The total funding for the ACF is £24.8 million.

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[24] Investing in Communities Fund (ICF) 2019/20 – Frequently Asked Questions. Available at:
https://www.gov.scot/binaries/content/documents/govscot/publications/form/2019/05/investing-in-communities-fund-application-form-and-guidance/documents/investing-in-communities-fund-faq/investing-in-communities-fund-faq/govscot%3Adocument/Investing%2Bin%2BCommunities%2BFund%2B2019-20%2B-%2BWebsite%2BFAQ%2B-%2BFINAL.pdf.

[25] Statutory bodies, individuals and sole traders, community organisations based outside Scotland and non-departmental public bodies are not eligible to apply.

[26] Scottish Government 2019. Guidance Notes – Empowering Communities Programme: Investing in Communities Fund 2019-2020. Available at: https://www.gov.scot/binaries/content/documents/govscot/publications/form/2019/05/investing-in-communities-fund-application-form-and-guidance/documents/investing-in-communities-fund-application-guidance/investing-in-communities-fund-application-guidance/govscot%3Adocument/Investing%2Bin%2Bcommunities%2BFund%2B%2528ICF%2529%2B-%2B2019-20%2B-%2BApplication%2BGuidance%2BNotes%2B-%2BFinal%2BMay%2B2019.pdf

Grants are paid in quarterly instalments – at each step of the process the funded organisation must submit performance and financial data. At the final grant drawdown, the recipient organisation is asked, in addition to that usually required, to provide the following information:

- ❑ The difference and impact your project has made;

- ❑ The ways in which the project has enabled transformational change;

- ❑ Lessons learned, what worked well and what could have been done differently; and

- ❑ What you are going to do as a result of the project – for example, will the project be mainstreamed as a local service.

Those eligible for the fund include community anchor organisations, other community organisations and third sector organisations that promote or improve the interests of communities in the Rest of Scotland (LUPS) that experience inequalities of outcome as a result of social or economic disadvantage. Additionally, applications from a consortium of organisations can also be accepted, providing they are governed by a memorandum of understanding (or similar) as confirmation of respective roles and responsibilities.[27] Individuals and sole traders, statutory bodies, profit distributing companies, organisations based outside the UK and non-departmental bodies are ineligible for the fund.

Czech Republic

To the best knowledge of Indecon, there are currently no comparable schemes to the CSP operating in the Czech Republic. However, from 2009 to 2013 two interesting schemes were in operation in that country that were designed to support social enterprises operating in the community. These two schemes were as follows: the **"Social Economy" within the OPHRE Scheme**, where 100% of costs of a successful applicant's project were funded with the maximum support per project being €200,000; and the **IPO Scheme** where 80% of eligible project costs were covered with maximum support per project being also €200,000. The total funding allocated to the Social Economy scheme was €15 million while the IPO scheme was allocated €17 million in total. Both schemes were compatible with one another and successful applicants could receive investment and non-investment support from both concurrently. Additionally, the two schemes required recipient organisations to reinvest at least 51% of any profit they made into social enterprise activities and 40% of their workforce had be from the target groups in Figure A.2, something that makes it comparable to the CSP.

The schemes were run by the Czech Ministry of Labour and Social Affairs, with 85% of funding sourced from the European Social Funds. However, while over 150 enterprises benefited from these schemes, social impact does not seem to have been measured.

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[27] Scottish Government 2019. European Social Fund – Aspiring Communities Fund: Application for Stage 2 Funding; Guidance and Application Help Notes. Available at:
https://www.gov.scot/binaries/content/documents/govscot/publications/form/2018/04/aspiring-communities-fund-application-form-and-guidance/documents/aspiring-communities-fund-guidance-application-help-notes-pdf/aspiring-communities-fund-guidance-application-help-notes-pdf/govscot%3Adocument/ACF%2B-%2BRound%2B3%2B-%2BStage%2B2%2B-%2BApplication%2B-%2BGuidance%2Band%2BHelp%2BNotes%2B-%2BFINAL%2B-%2BDec%2B2018%2B-rev.pdf

Figure A.2: Groups from which 40% of OPHRE and IPO Scheme Workforce of had to be Sourced
❑ People with health disabilities
❑ Youth threatened by socially pathological influences
❑ The homeless
❑ Care and prison leavers
❑ Victims of criminal activities
❑ Carers for relatives at risk
❑ People with experience of substance misuse
❑ Long term unemployed
❑ Other people at risk of social exclusion (or socially excluded)
Source: Indecon

Belgium

Public schemes aimed at supporting social enterprise in Belgium tend to operate at a state level, given the decentralised nature of Belgium's political system. In Flanders (companies in the Brussels Capital Region can also benefit), SINE (Sociale Inschakelingseconome) provides public funding in the form of both lower social security contributions (up to €1,000 per quarter) and a Labour costs allowance (up to €500 per month) allocated by the National Employment Office.

This is provided to organisations that employ disadvantaged people (namely long-term unemployed individuals who have no higher second-level education or diploma and are finding extreme difficulty accessing the labour market). Organisations that are eligible for the SINE programme are listed in Figure A.3.

Figure A.3: Organisations Eligible to Recruit SINE Employees

❑ **Approved customized companies (Maatwerkbedrijven):** companies that employ people for social purposes. These are supposed to turn a profit. 65% of the labour source of these companies are meant to be individuals who find it "difficult to access the labour market" – i.e. are unemployed and low skilled**.**

❑ **Recruitment or Hiring Companies (Inschakelingsbedrijven):** companies and associations with legal personality that strive for the socio-professional involvement of very difficult to place unemployed people in producing their goods or services. The companies fulfil the conditions stated in Article 1 § 2 of the Royal Decree of 3 May 1999 and are recognized by the Minister for Employment and Labor and the Minister for Social Economy (see below: application and procedure for recognition of hiring companies).

❑ **Social Rental Offices (Sociale Verhuurkantoren):** bodies that rent housing in the private rental market with the aim of subletting them to vulnerable tenants.

❑ **Social Housing Agencies (Agentschappen voor Sociale Huisvesting):** bodies that manage social housing.

❑ **Companies with a Social Purpose (Vennootschappen met een Sociaal Oogmerk):** A transversal legal status established in 1995 as a transversal legal status that can be obtained by any commercial company, regardless of its underlying legal form provided it adheres to certain statutory obligations, such as that the members of the company shall seek only a limited profit or no profit at all.

❑ **Recognized Public Social Welfare Centres (Centra voor Maatschappelijk Welzijn):** public bodies at local level which provide care to the population (e.g. financial advice to those in difficulty, manage care homes etc.) – they organise initiatives within the economy to promote social integration.

❑ **Local Employment Agencies (Werkgelegenheidsagentschappen):** agencies responsible for assisting the unemployed to access the labour market**.**

❑ **Bodies that organise proximity services (Erkgevers die Nabijheidsdiensten Organiseren)** under a Flemish Government decree concerning an incentive and support program for the added value economy**.**

❑ **Employers who organize initiatives within the local service economy (lokale diensteneconomie)** under a Flemish Government Decree concerning the local service economy.

Source: Indecon

It must be noted that there are not to be standardised measures for assessing the social impact of SINE initiatives. However, organisations with the legal status of "Companies with a Social Purpose" must produce a special annual report stating how they have achieved their social purpose. This report should include investments, operating costs, remunerations and similar metrics intended to promote the social objective of the company. Therefore, it is not a full social impact report with measures that quantify the social impact. Failure or poor drafting of the report can lead to sanctions and liability for all damages resulting from a violation of the relevant legal and statutory provisions that underpin that status of "Companies with a Social Purpose". Applications are assessed by the Work and Social Economy Department of the Flemish Government – therefore the roles held by Pobal and the DRCD over the CSP programme are combined in this case.

New Zealand

New Zealand has a number of schemes aimed at social enterprises and helping disadvantaged communities that have aims similar to the CSP. These schemes are referred to as "community crown funded schemes" are administered by the Department of Internal Affairs.

❑ **Community Organisation Grants Scheme (COGS):** This scheme provides government-funded grants to support voluntary and not-for-profit organisations working in local communities and neighbourhoods. From 2019, organisations applying for the COGS can apply for single year grants or grants of up to three years, ranging in size from $500 to $20,000.

Eligible organisations need to have been established for at least two years, have a good grant management history with the Department and/or other funders, have evidence of good governance and management systems, have experience in, or can demonstrate experience in running a similar service/activity or project for which funding is requested and to be a legal entity if the request is in excess of $10 thousand for any one year. Additionally, only organisations that have an operating expenditure of less than $2 million for each of the last two financial years can apply for COGS funding.

Organisations that apply for COGS grants need to demonstrate how the community-based services or projects operated by them will encourage participation in communities, promote community leadership, develop community capability, promote social, economic and cultural equity, or reduce the downstream socio-economic costs to communities and government.

The scheme is administered locally by 37 Local COGS Distribution Committees, which develop priority community outcomes at annual public communities where communities are able to discuss what local benefits or outcomes, they desire from COGS investment. Such COGS committees prioritise the delivery of services to certain target groups.[28]

Grants provided are given for the running or operational costs of organisations that provide community-based social services and for community project or event cost which encourage community participation, promote community leadership and promote social economic and culture equality. In order to be accepted for the COGS an applicant organisation must submit a budget in order to demonstrate that their organisation meets financial reporting requirements.

A 2010 review of the COGS found that three quarters of organisations perceive the process by which grant applications are appraised and awarded to be transparent and that the process of application is quite simple and straightforward (83% of organisations completed their application online). However, it also criticised the lack of collection of data on outcomes and that therefore the "lack of knowledge on how grants are being used further reduced the ability of the LDCs (Local Distribution Committees)." On a more positive note, the review did find that the scheme-built community capacity and capability by increasing the knowledge of skills in the various community organisations that were in receipt of the scheme. Additionally, the review found that the COGS promoted collaboration and cooperation in the community through networking opportunities.

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[28] These groups are Māori, women, pacific communities, other ethnic communities, older people, rurally isolated people, people with disabilities, families, youth and children, unemployed people and community-based organisations with limited access to other government funding.

❑ **Community Development Scheme (CDS):** Government funds communities to employ a community development worker for three years to assist them in achieving their development priorities.

❑ **Community Internship Programme (CIP):** Full-time three- or six-month, and part-time up to 12-month internships in community organisations for skilled workers are funded via government grants under this scheme, with the grants being used to pay the workers while they are away from their own workplace. The skilled worker on the internship is paid their usually salary during the time they are on the internship and such workers can have regular jobs in either a business, government department, local authority or non-profit community group. This programme's aim is that the transfer of skills and knowledge across sectors is facilitated with the consequence of strengthening community organisations and fostering understanding and cooperation between sectors.

❑ **Youth Worker Training Scheme:** Is a scheme which distributes $200,000 annually in small grants (via five regions with each region having $40,000 to distribute) to meet the informal training needs of youth workers. Its main intended outcomes are the training of effective and capable youth workers, valued youth workers, the development of well-functioning programmes and projects targeted towards young people and networked and capable groups supporting young people. Community organisations with an enshrined legal entity status and groups or sub-committees that come under the umbrella of a community organisation with legal status can apply for the Youth Worker Training Scheme. Additionally, individuals can apply through their sponsoring organisation.

Unfortunately, it is difficult to measure the impacts of these schemes in quantifiable terms. While various reviews did find that the schemes achieved specific objectives, a major review of all schemes in 2011 found that the individual schemes were established in response to separate issues in an ad-hoc way and that the focus has therefore been on advancing specific initiatives rather than on the development of a comprehensive package of funding support. This review therefore recommended that the approach to community development schemes in New Zealand become more community led, with major input from the community so that the department moves from being a "grant funder" to an "investment funder". Such an approach reflects that of the Scottish Investing in Communities Fund, which has a focus on purchasing "results" as opposed to activities.

Australia

Australia has a federal government structure and the way of delivering grants to community organisations and or social enterprises reflects this with many being delivered at state level. Grants are listed on online portals at state level which makes it easy for community organisations to access information on different grants and to apply for them. Attention now turns to the types of grants that are available for communities in some states.

South Australia: The Department for Families and Communities of South Australia administers grant funding to communities through its major awards Grants SA scheme (annual allocation of pot of $3 million). Applicants can look for between $10,001 and $100,000 and identified programs or services can be eligible to receive further funding for up to 12 months, to a maximum of three years in total.

Funding can be used by organisations for short-term one-off programmes, the establishment of services, or projects that benefit target groups and 75% of the costs of upgrading facilities or providing vehicles for target groups.[29]

In terms of measuring impact, organisations are required to submit a final online report on how they spent their grant as well as measuring and reporting on their outcomes. The measures to be reported on depend on the project in question. They can in general be summarised in terms of "how well" the project delivered its outcomes and "how much" the project contributed to making people better off. In the case of upgrading community facilities, sample measures would be the level of satisfaction of participants/the organisation with the project and the extent of change for the participants/organisation as a result of the project.

Tasmania: The Tasmanian Community Fund was founded in 1999 and provides grants to non-profits and other community organisations. In the present round of grant funding there are three strands available:

❑ Large grants focused on infrastructure, assets and equipment ($100,000 to $300,000);

❑ General small grants ($1,000 to $20,000); and

❑ General medium grants ($20,001 to $70,000).

Applicant organisations must be not-for-profit, be incorporated or be a not-for-profit legal entity; or sponsored by an incorporated organisation or a not-for-profit legal entity; and be based in Tasmania, or proposing to undertake a project in Tasmania.

Since 2000, the Tasmanian Community Fund has allocated more than $103 million to more than 2,900 projects in all areas of the State. The aim of this scheme is to make grants to community organisations, invest in and strengthen Tasmanian communities by enhancing well-being and improving social, environmental and economic outcomes for the Tasmanian Community Funding has been targeted at: Early Childhood Intervention; Tasmanian Cultural Heritage; Tasmanian Aboriginal Heritage; Building Tasmania as the Learning Community; Resilience and Life Skills for Young Tasmanians; Community Infrastructure; Emerging Community Leaders; and Community Wellbeing.

Organisations apply with a project proposal whose contents are assessed by the Board of the Tasmanian Communities Fund who decide which projects receive grants. This Board is made up of individuals drawn from around the State, who are appointed by the Governor of Tasmania for their mix of community and business experience.

In terms of measuring impact, within two months of the project's completion date, an organisation must provide a report concerning the outcomes and achievements of the project and its success in meeting its objectives.

New South Wales: The "My Community Project" scheme allows individuals in each electorate of New South Wales to vote for projects that they feel will help improve the wellbeing of their community (e.g., new playground equipment or sports facilities for the kids, paths or ramps to improve access, an art installation to rejuvenate an empty space or a community transport service).

In these projects, communities can request funding of between $20,000 and $200,000 from projects that have a defined benefit the community (service or otherwise).

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[29] These costs can be used to cover voluntary labour and/or donated materials and/or significant professional in-kind services and support.

Projects are assessed by the New South Wales government, with input from various "expert bodies", if necessary. In addition to this, individuals in the community can vote on projects they would like to see funded in their area (preference voting if more than one option is on the ballot paper).

Projects must have an identified sponsor to ensure they can be delivered and must be aimed at advancing one or more of the outcomes listed in Figure A.4.

Figure A.4: Outcome Areas for the "My Community Project" in New South Wales
❑ **Accessible Communities:** The project will make everyday life more inclusive for all community members. This aims to increase mobility and accessibility in communities.
❑ **Cultural Communities:** The project will add to the cultural and artistic life of the community. This aims to increase opportunities for residents to participate in arts and cultural activities.
❑ **Healthy Communities:** The project will support the community's physical and mental wellbeing by enabling healthy and active lifestyles.
❑ **Liveable Communities:** The project will improve local amenity and the local environment.
❑ **Revitalising Communities:** The project will foster stronger community bonds and encourage social engagement and participation in public programs. This category aims to increase satisfaction with community facilities.
❑ **Safe Communities:** The project will promote a safe and secure community where people can participate and enjoy the benefits of community life. While projects may fit within multiple categories, applicants only need to select the category that best represents their project idea.

Source: Indecon

Additionally, only projects that are considered viable will be granted funding. These are projects that are based on a realistic budget based on substantiated quotes or assumptions and are also cost effective and represent value for money. Additionally, such projects must demonstrate how they will be operated and/or maintained upon completion (where applicable) and do not require ongoing funding from the New South Wales Government. Viable projects are also those that can demonstrate they can be delivered within a 12-month program deadline and have access to the necessary expertise and support to deliver the project. As with programmes in many countries, there does not seem to be any mechanism in place to evaluate the social impact of these initiatives.

Summary of Best Practice:

From Indecon's review of the international schemes in place to fund social enterprise and/or community development, it seems that the following are acknowledged to be best practice in terms of making programmes effective:

❑ **Funding should be longer-term and multi-annual:** This ensures effective capacity building in the sector. Multi-year funding ensures that organisations can engage in longer-term planning. The CSP is good in this regard, given that most of its grant agreements last for three years.

❑ **Flexible Programmes:** Successful programmes are seen to be those that are flexible in that they focus on outcomes as opposed to specific outputs and activities.

❑ **Community Involvement:** Funded projects should have a clear focus with regard to how they help the community. There should be involvement from the community in how projects are led and how needs are identified.

❑ **Social Return on Investment:** In Scotland and New Zealand there has been a shift away from "funder led" projects to those that are more community led – the funder acts as an investor in social enterprise. In this case there is more focus on delivering outcomes over a longer time period than on fulfilling short-term goals.