

Viewfinder 3



The third Viewfinder provides an insight into the views of the sector on a range of issues, including mergers, managing finances, communications and public services

KEY FINDINGS

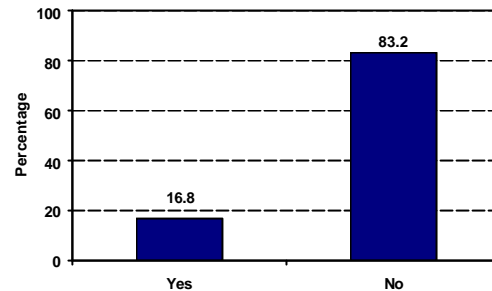
- 83.2% of respondents have not considered taking part in a merger.
- Only 25.8% of respondents use the Gift Aid scheme which enables voluntary and community organisations to claim an extra 28p for every £1 donation made.
- 88.6% of respondents believe getting their message across in the media is becoming increasingly important.
- 51.5% of respondents believe the voluntary and community sector should get more involved in the delivery of public services.

Mergers

The issue of the future resourcing of the sector is an important one in the policy environment, and this has brought with it an increased interest in mergers. Within Northern Ireland, there are 4,500-5,000 voluntary and community organisations that play a vital role in society. However, many organisations undertake similar work and funding pressures are growing. It is therefore important to question the future role mergers may play within the voluntary and community sector.

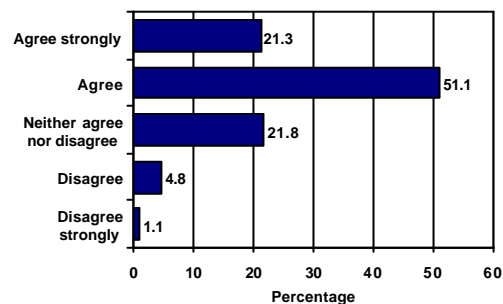
In *Viewfinder 3* the majority of respondents recognised the positive aspects of voluntary and community mergers. However only 4.5% of respondents had taken part in a merger. More significantly, an overwhelming majority of voluntary and community groups would not consider taking part in a merger, as illustrated in Graph 1:

Graph 1: Has your organisation considered taking part in a merger?



It is important to examine why 83.2% of *Viewfinder 3* respondents have not considered taking part in a merger. The predatory image associated with mergers has been seen as off-putting within the voluntary and community sector. Graph 2 reveals that the majority of respondents (72.4%) believe internal power struggles are associated with mergers.

Graph 2: Internal power struggles are often associated with mergers



In order for a merger to occur within the voluntary and community sector, the agreement of both sets of trustees involved is required. This prevents hostile takeovers occurring. However, the negative image associated with mergers continues to act as a deterrent. Within the voluntary and community sector, there is a feeling that staff and volunteers in an organisation would get demoralised at the thought of merger

because of fear of losing their job (54% of respondents).

The rationale behind the promotion of voluntary and community sector mergers is often cited as direct improvements to effectiveness and efficiency, and sphere of influence of services. The *State of the Sector III* report predicted an increase in mergers, however only 11% of *Viewfinder 3* respondents believed that this prediction has come true. Mergers promote the image of a 'unified brand' to attract funding and 49.8% of respondents agreed that the use of mergers is a way to eliminate competition within the sector with regard to funding.

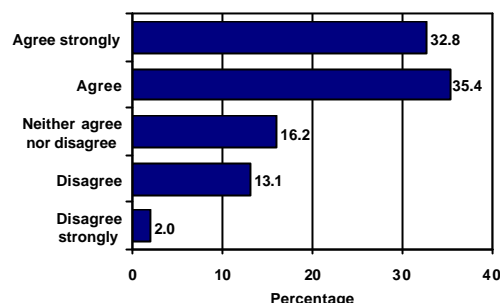
Results from *Viewfinder 3* reveal that 55.6% of respondents view mergers as a way to achieve long-term sustainability and 49.8% believe mergers are a way to adapt to the changing needs of users. Mergers bring together skills and experience and 51.3% of *Viewfinder 3* respondents believe staff and volunteers would benefit from access to other skills; however 15% of respondents disagreed

Analysis of *Viewfinder 3* revealed a significant number of respondents did not hold an opinion on various aspects of mergers. This suggests that the issue of mergers as a future option (or necessity) has received limited consideration in the voluntary and community sector in Northern Ireland.

Managing Finances

The voluntary and community sector within Northern Ireland is a recipient of considerable public funding. In order to ensure monies are used appropriately, funders require voluntary and community groups to set up financial systems. This is reflected in the fact that the vast majority of voluntary and community groups are required to carry out financial audits (80.6% of respondents). This has placed certain demands on organisations. Graph 3 illustrates that the majority of *Viewfinder 3* respondents (68.2%) believe that maintaining these financial systems places undue burden on their organisations.

Graph 3: Managing complex financial systems to cope with different funders places undue burden on our Organisation



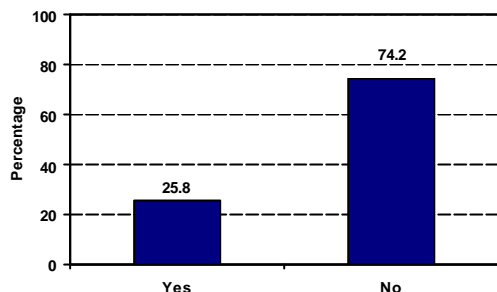
In terms of the various financial procedures, funding applications are ranked as the most difficult, followed by forecasting cash flow requirements and budgeting. In order to carry out these activities, voluntary and community organisations must develop appropriate skills. While these activities are essential, for many individuals in the voluntary and community sector, particularly volunteers, these processes are far removed from their reasoning for being involved in voluntary and community activity. Approximately one-third of respondents (30.1%) believed that because of lack of knowledge of financial procedures, one-to-one support would benefit their organisation. Whereas 60.6% of respondents believed that their organisations have a level of financial knowledge that would require only a workshop seminar to obtain the necessary skills to carry out the financial procedures.

Financial training is an obvious way to reduce some of the difficulties surrounding the demands of financial procedures in the voluntary and community sector. *Viewfinder 3* revealed a number of reasons why organisations in the sector may have difficulties accessing financial training. The most cited reason was pressure of work, followed by lack of funding.

Limited funding is a very apparent issue within the voluntary and community sector. Financial pressure is an issue that affects many in the sector. Gift Aid is a scheme set up to enable charities to make the most of any donations made. It allows charities to claim tax relief on any regular or one-off donations made by individuals. However,

only a minority of *Viewfinder 3* respondents use Gift Aid, as illustrated below:

Graph 4: Does your organisation use gift aid?

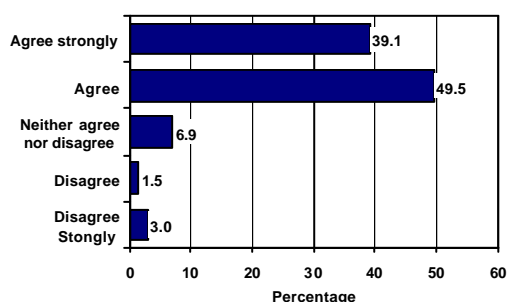


Approximately three-quarters of respondents (74.2%) do not use Gift Aid. Yet if these organisations employed Gift Aid they could earn an extra 28p for every £1 donation made. This begs the question why there is not more uptake of this scheme by voluntary and community organisations.

Communications

We live in an increasingly interconnected world, where the power of the media cannot be underestimated. For most of us, life without television or the internet is almost unthinkable. Ironically while we are more connected to the world and world events, we tend to be less engaged in our immediate communities. In this environment, the media play a vital role in enabling people to feel engaged in society. The voluntary and community sector recognise that in order to engage society, they too must use the media, as illustrated in Graph 5:

Graph 5: Getting our core message across in the media is becoming increasingly important

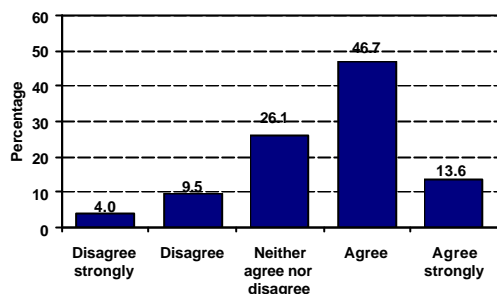


Over three-quarters (76.2%) of *Viewfinder 3* respondents give a lot of consideration to communication in their organisations, and 40.4% of respondents devote time to developing their communications strategy. Significantly 30.8% of respondents have a dedicated budget for communications in their organisation. The majority of *Viewfinder 3* respondents feel that raising awareness by getting their message out to the public is the most important aspect of communication. However, media coverage is not always positive and 63% of *Viewfinder 3* respondents believe that the accountability of the voluntary and community sector has come into question more recently through the media. However the media occupy a dominant role in today's society and for this reason the voluntary and community sector is recognising its role in raising awareness and engaging society.

Public Services

Within Northern Ireland the voluntary and community sector has a long history of involvement in different aspects of public services. Various partnerships with government offered a form of direct participation into the policy process. When the Good Friday Agreement (1998) was signed, it was heralded as a fundamental transition in governance arrangements in Northern Ireland. The Agreement and Programme for Government included a strong commitment to partnership with the voluntary and community sector. The route map is clear that the voluntary and community sector will be involved in the delivery of certain public services. It is important to question how the voluntary and community sector feels about its newly defined and increasing role in the delivery of these public services. As illustrated in Graph 6 below, over half (60.5%) of *Viewfinder 3* respondents believe the delivery of public services can provide long-term stability for the voluntary and community sector.

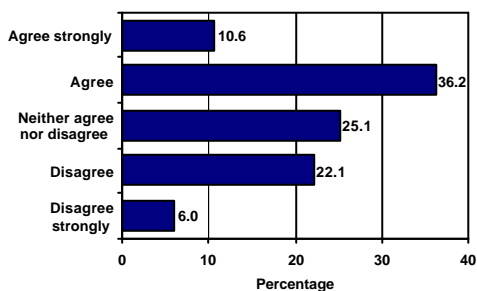
Graph 6: The delivery of public services provides financial stability and long-term Sustainability



,51.5% of respondents also believe that the voluntary and community sector should get more involved in the delivery of public services.

As the voluntary and community sector becomes more involved in the delivery of public services, certain tensions have developed. Generally it is agreed that in partnerships the voluntary and community sector is involved but not in control. When the voluntary and community sector enters into these partnership arrangements, there are often concerns over how to maintain independence, as illustrated in Graph 7:

Graph 7: Delivering public services means the voluntary and community sector may lose independence and its ability to criticise funders



Almost half (46.8%) of *Viewfinder 3* respondents feel that delivering public services may undermine the independence of the voluntary and community sector and its ability to criticise funders. However 28.1% of respondents disagree that this is the case. The involvement of the sector in the delivery of public services requires time, energy and commitment of those involved. It is important to question, has their involvement led to them losing sight of their original objectives? Over half (54%) of *Viewfinder 3* respondents believe this is the case; however 22% feel that they are able to deliver public services and maintain sight of their original objectives.

The involvement of the voluntary and community sector in the delivery of public services is set to increase. The report of the Taskforce on Resourcing the Voluntary and Community Sector is due to be published soon and it is likely that it will shape the future environment in which the sector operates.

The *Viewfinder 3* survey was circulated to 960 NICVA members during May 2004 - 21% responded.

If you would like further information about the survey or how to include questions in future *Viewfinders* contact Leeann Brady on: tel: 028 9087 7777 or email: leeann.brady@nicva.org

NICVA would like to thank everyone who took part in this survey. Your contribution is greatly appreciated.