



A new Coalition of eight not-for-profit Disability service providers whose aim is to address the significant funding shortfalls that are threatening frontline disability services in every county in Ireland.

## Key Recommendations for Covid-19 Committee

We are looking for the Special Committee on Covid-19 Response to recommend the following actions to the incoming Government:

- **Special Fund to meet Covid-19 fundraised income losses**  
Our organisations have lost millions of euro in normal fundraised income. Supports announced to date are very far from adequate to meet our needs.
- **Reverse the 1% funding cut applied in January 2020.** We have had to deal with extra costs associated with Covid-19 but are also expected to bear a €20m cut-back in funding for disability contained in HSE service plan announced in January 2020.
- **Eliminate deficits for Section 39 disability service providers & Fund services at the actual cost of providing them.** Our research indicates that, for our eight organisations alone, **this will cost at least €20m a year** in extra funding from the HSE.
- **Adopt all of the recommendations of the IRG report\*** relating to Section 39 organisations (Chapter 8). This includes overhauling the completely flawed process for how the HSE currently decides to allocate funding to the sector. The Covid-19 pandemic has exposed how dependent the state is on the Section 39 sector and how flawed the

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\*The Government commissioned an independent review of the sector and a report was published in February 2019 called the [Report of the Independent Review Group established to examine the role of voluntary organisations in publicly funded health and personal social services](#), also known as the IRG report, chaired by Dr. Catherine Day.

## **THE IMPACT OF COVID-19 ON ORGANISATIONS PROVIDING SERVICES FOR PEOPLE WITH DISABILITIES**

### **1. INTRODUCTION**

The outbreak of COVID-19 has presented a very significant challenge to organisations providing services for people with disabilities. We are entrusted with the care of many for thousands of vulnerable adults and children with physical, sensory, intellectual and mental health disabilities. Providing that care, while simultaneously protecting the people who use our services from the virus, has been our number one priority since the outbreak began in February.

Our organisations have risen to that challenge. Working in close partnership with the HSE and other agencies, we have ensured that Public Health guidance and best practice has been implemented in all our services. This, and the commitment of our trained and dedicated staff, has protected many thousands of vulnerable citizens from the dangers posed by the pandemic.

### **2. IMPACT OF COVID-19 ON DISABILITY SERVICES**

- Throughout this crisis, we continue to provide essential residential, respite and family support services to children, adults and their families
- Emergency and high priority cases were responded to
- Although our Day Services had to close, they have been replaced by community outreach and virtual community centres and supports
- Therapy services are being delivered remotely by phone and video conference and through the use of home support programme and videos
- We have availed of HSE and independent suppliers to ensure our services have maintained adequate PPE supplies. This will continue to be an additional cost of service provision for the foreseeable future
- Many of our organisations have invested in Assistive Technology and IT equipment for both staff and service users to ensure they can avail of virtual services. This is one more additional costs of the Covid-19 response to be carried by service providers.
- Some of our organisations redeployed staff externally to the HSE and internally to assist the national response to Covid-19. Organisations also made buildings and transport resources available to the HSE as requested.
- Our organisations are currently working on return to work plans and risk assessments to ensure we can get back to providing our high-quality services in a safe environment for all as soon as possible.

We, as a not-for-profit group of disability service providers, are operating and continue to operate to the highest possible standards in delivering care during this pandemic. We believe that we are demonstrating that we can be relied on to partner with the HSE and Public Health agencies to protect vulnerable citizens.

Our priority as organisations has been the protection of those using our services from the threat posed by the pandemic.

But the virus is also threatening our future, and therefore the future of the quality services which we provide. It is this threat that we need to bring to your attention and why we ask for your support to secure our future.

### 3. BACKGROUND

In Ireland, two-thirds of disability services are delivered by not-for-profits. In total, 35% of the entire disability budget is spent by Section 39 providers – so the State is heavily reliant on our sector to meet the needs of people with disabilities. In November 2019, a number of large Section 39-funded disability service providers formed The Disability Action Coalition<sup>1</sup>, to bring urgent issues to the attention of our elected representatives. Most of us are members of the Not For Profit Group, which is sponsoring the Coalition.

The key issue for us is funding and our relationship with the HSE, our funder, and how we are viewed by the state as a service provider funded under Section 39 of the Health Act. Since the last major crisis which faced the state, from 2008 onwards, we have been hit with funding cuts which, not having been restored, are undermining us and our bottom line.

As a result, many of us were already in crisis when the Covid-19 emergency hit us. After years of underfunding, we are carrying deficits, some are depending on loans, and all of us have been dealing with an additional cut of €20m in the 2020 HSE budget for disability services.

The challenges which we face were acknowledged in [the report examining the relationship between the voluntary sector and the state, by Dr. Catherine Day](#), published in February 2019. You can see the main recommendations of this report in Appendix 1.

### 4. THE COVID CRISIS IS THREATENING OUR FUTURE

The biggest impact of the crisis has been on our fundraised income. Fundraising and social enterprise revenues, including our charity shops, have collapsed. For the most part, we have kept services going but this is not sustainable.

The emergency has again exposed the completely inadequate funding the sector already relies on, and in particular the flawed way in which the HSE agrees disability budgets and funds services. Indeed, even as our country scrambles to cope with this emergency, the HSE is still proceeding with the €20m cut-back in funding for disability that is contained in its service plan and which was announced in January 2020.

### 5. COVID-19 IMPACT OF LOSS OF FUNDRAISING – SOME EXAMPLES

**National Council for the Blind Ireland:** It costs the NCBI about €9m to run services for approximately 8,000 people each year. They receive funding from the HSE of about €6m. This shortfall of over 30% of its expenditure is bridged each year by fundraising and social enterprise. Since the restrictions imposed by the virus, this activity has almost completely stopped. This will have serious implications for services for people with disabilities if more State support is not forthcoming

**The Irish Wheelchair Association** had to close 15 charity shops and this has had a huge impact on revenue. The organisation is looking at fundraising losses of about one million euro this year.

**Enable Ireland** had to postpone fundraising events and close 21 charity shops. This means the organisation is facing potential losses of €1.5million to their income in 2020. This is on top of an existing shortfall in funding of €3.5m.

**Rehab** is looking at a fundraising loss of about €400,000

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<sup>1</sup> Irish Wheelchair Association, Enable Ireland, Rehab Group, Acquired Brain Injury Ireland, Cheshire Ireland, Chime, MS Ireland, National Council for the Blind in Ireland.

**Chime** relies on social enterprise/fundraising for 33% of its revenue. This amounts to €2.0m per annum. This revenue is down over 70%.

**MS-Ireland** is the only national organisation providing information support & advocacy services to the MS community. MS Ireland receives approximately 50% of our funding from the State and our remaining funds are from fundraising, donations and legacies. MS Ireland has experienced a sudden and catastrophic 37% drop in fundraised income, over €1,000,000

**Acquired Brain Injury Ireland** have had to postpone vital fundraising events which were scheduled between Quarters 2 and 3. These events potentially may not occur this year. Community fundraising and events fundraising have completely stopped because of social restrictions. The organisation is looking at a 30% drop in fundraising for 2020 and if restrictions are extended this could be much higher.

## 6. FUNDING IS THE CORE ISSUE FOR SECTION 39 DISABILITY SERVICE PROVIDERS

Fundamentally, the problem is funding:

- not being fully funded for the services we provide
- not being funded for the full cost of pay restoration
- being required to fund the massive growth in regulation and compliance, and meet the huge increase in insurance costs.

All of these, combined, have resulted in a crisis. Most of our members have operated on deficits for a number of years. Our research shows that it will cost around €20m to address the funding shortfall among our member organisations.

**An existing crisis has now been exacerbated by the severe and sudden loss of fundraised income due to the Covid-19 crisis. Our organisations are facing losses of millions of euro in 2020 due for the most part to the closure of our shops. A government Stability Fund which is providing grants of between €20,000 and €100,000 is not adequate to meet the need of our organisations.**

In January 2020, the HSE informed our organisations of a 1 percent “efficiency cut” to the disability services budget for the year, €20m in all, and despite many requests, including at the outbreak of the virus, the cut is being implemented, resulting in an even more severe funding situation.

Even before the Covid-19 crisis, many organisations have had to cut services to stay afloat. This includes respite and day-care services, and services to both children and adults.

Many organisations are struggling to retain staff because of the difference in pay between Section 39 organisations and Section 38/HSE and this adds substantially to training, recruitment and agency staff costs. It also lengthens waiting lists for people with disabilities.

Negotiating with the HSE is really difficult, especially agreeing Service Agreements, because there is no mechanism to recognise the deficits.

Up to recently the shortfall has been bridged from the sector’s own resources, but by now we simply don’t have the resources to meet growing costs. All of us are facing huge challenges in keeping front-line services open. Many of our organisations have already had to close services, reduce hours or introduce redundancies. We want to prevent this from escalating any further.

**29 June 2020**

**The Disability Action Coalition: Irish Wheelchair Association, Enable Ireland, Rehab Group, Acquired Brain Injury Ireland, Cheshire Ireland, Chime, MS Ireland, National Council for the Blind in Ireland.**

## **Appendix 1 –**

### **The Independent Review Group Report (Dr. Catherine Day Report)**

The Government commissioned an independent review of the sector and a report was published in February, 2019 called the [Report of the Independent Review Group established to examine the role of voluntary organisations in publicly funded health and personal social services](#), also known as the IRG report, chaired by Dr. Catherine Day.

It made a number of recommendations about our sector, and we want them implemented. This is the only way that the crisis being faced by our services, will be resolved, and the future secured.

#### **Some of the key recommendations are:**

- 1. Manage Deficits**

The Departments of Health and Public Expenditure and Reform should undertake a review of the financial position of voluntary organisations that would include an analysis of surpluses/deficits over the last five years and the main drivers and put forward proposals for resolving any deficits identified.

- 2. Multi-annual budgets**

There should be a move to multi-annual budgets for 3-5 years in duration to facilitate strategic service planning and reform of services.

- 3. Pay Full Cost of delivery of Services**

Full cost prices for delivery of these services should be agreed centrally.

- 4. Set up a Forum and include voluntary sector**

A Forum should be established to facilitate regular dialogue between the relevant State representatives and the voluntary sector to ensure their full involvement in future policy and strategic developments. (Only initial moves made on this)

- 5. Mechanism for resolving disputes**

An independent process should be put in place to resolve disputes (excluding the negotiation of budget allocations) between the HSE and voluntary organisations.