



## **The Wheel's 2017 response to Public Consultation on Exchequer – Employer investment mechanism for HE and FET**

This submission from The Wheel sets out how it shares the National Training Fund's (NTF) recognition for the need for, and the value of, developing a sustainable long-term funding model for the higher education and further education & training sectors, which will help to drive continual reform, quality and performance improvement. The Wheel also shares the aim of the NTF of delivering a skilled and educated workforce to employers, to maintain and strengthen the economy's growth potential and deliver benefits to society as a whole.

This submission from The Wheel to the *Public Consultation on Exchequer – Employer investment mechanisms for Higher Education and Further Education and Training* recommends the following main points

- There is a need for increased investment in higher and further education and training generally
- There is a need to put the funding for this increased investment on a firm footing
- One element of this should involve an increase the NTF levy
- The proportion of NTF funds directed at the training and upskilling needs of non-profit enterprises<sup>1</sup> and their employees should be increased

Ireland's non-profit enterprises workforce must have available to them increased access to further education and training and the proportion of NTF funds dedicated to such provision should be adjusted proportionally.

Ireland's employers are major beneficiaries from the availability of a highly qualified and continuously upskilled workforce, and they should be making a greater contribution to funding that provision. Ireland's non-profit enterprises constitute a significant proportion of employers and make a significant contribution to GDP – it is time to adequately fund the training and development needs of non-profit enterprises.

We support the general view of the Expert Group on Future Funding for Higher Education that a “significant increase in investment is needed to create the kind of engaged, small-group, high-trust, high-expectation teaching and learning necessary for the next phase of Ireland's economic, social and cultural development”. While supporting The Expert Group's strong recommendation to introduce “a structured contribution from employers as a core element of future funding for higher education... to be delivered by increasing the National Training Fund levy”, we would recommend strongly that additional resources applied through any increase to the NTF levy be applied

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<sup>1</sup> Non-Profit Enterprises include charities, community & voluntary organisations, social enterprises, NGOs & civil society organisations



proportionally to providing for the continuous education, training and upskilling needs of employees in general and employees in the non-profit enterprise sector specifically. It is vital that non-profit enterprises continue to receive training provision tailored to their needs.

## **About The Wheel**

The Wheel is a national organisation that represents and supports non-profit enterprises in Ireland.

Founded in 1999, The Wheel vision is of a non-profit enterprise sector at the heart of a fair and just Ireland. There are currently over 1,300 members of The Wheel, across Ireland, reflecting the enormous scope and scale of this skilled and diverse sector.

The Wheel exists to represent and support these enterprises to ensure this skilled & educated workforce operate as efficiently and effectively as possible.

## **About The Sector**

Over 132,000 people are employed in over 19,300 organisations within the community and voluntary sector, with a combined income of all those listed of €9.59 billion.

The sector impacts, supports or benefits upwards of 1.9million people annually<sup>2</sup>.

These figures and statistics illustrate that the sector is much larger and more significant than might first have been realised. In fact, it is a larger contributor of employment than the agri-food sector.

The Wheel's 1,300 members account for 31,323 FTEs (24%) of the sectors 131,589 workforce and a turnover of €1.9billion (or 20%) of the sectors estimated €9.57billion annual income (***courtesy of Benefacts data analysis***)

Central to all of this the non-profit enterprise approach is a process that activates, encourages, empowers and supports groups of people to join together in activities that promote their common interest, improve their communities and benefit all of society.

The sector takes a responsive, tailored and holistic approach to identifying and meeting needs and demonstrates flexibility, innovation, integration and collaboration in delivery. It strives to encourage ownership, involvement and empowerment of service beneficiaries and the wider community encouraging people to help themselves.

And it does this whilst all the while contributing to building social capital and social cohesion and bringing additional sources of funding to support their work that would not be available to the State.

This approach ensures that the non-profit enterprise sector delivers significant societal value for Ireland. Societal value comprises both financial and non-financial value creation by using resources to produce a good and just society.

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<sup>2</sup> <http://www.wheel.ie/transparency>



## **Social Innovation**

The beauty of the non-profit enterprise sector is that through the many challenges it has faced over the past number of years it has, time and time again, responded imaginatively to crisis. The sector has the ability to adapt and develop in new, exciting and innovative ways.

The sector can develop and collaborate in socially innovative areas. It is important to highlight that investment in the sector is not just the State subsidising particular areas of work; it can be/is/will be in socially innovative areas that can produce high value jobs and employment tackling societal challenges (linked into Horizon 2020 and Innovation 2020, amongst others).

The most recent (2015) National Pay & Benefits survey of Ireland's non-profit enterprises reported that the non-profit enterprise sector has 294 separate job titles in 261 organisations. There are graduates from all disciplines – from business to construction; social science to media; engineering to teaching. 55% of non-profit enterprises are micro-enterprise in size (9 employees or less) requiring people with broad problem solving and project management skills across multiple disciplines. The sector needs people capable of making a difference, not just making a profit. These people need training, support, mentoring, skills & knowledge, in order to do this.

## **The National Skills Agenda**

Maintaining a well-skilled and educated workforce has been a key pillar of economic development and investment in Ireland over many years. The National Skills Strategy 2025 (January 2016) aims to underpin Ireland's growth as an economy and society over the coming years. The strategy identifies Ireland's current skills profile, provides a strategic vision and specific objectives for our future skills requirements, and sets out a road map for how the vision and objectives can be achieved.

The strategy places a significant emphasis on the need for up-skilling of those who are in employment – regardless of organisational type (i.e. business versus non-profit), and a requirement for employers to participate in the skills development agenda through active collaboration with education and training providers. The six strategic objectives of the National Skills Strategy 2025 are:

- Education and training providers will place a stronger focus on providing skills development opportunities that are relevant to the needs of learners, society and the economy
- Employers will participate actively in the development of skills and make effective use of skills in their organisations to improve productivity and competitiveness
- The quality of teaching and learning at all stages of education and training will be continually enhanced and evaluated
- People across Ireland will engage more in lifelong learning
- There will be a specific focus on active inclusion to support participation in education and training and the labour market
- We will support an increase in the supply of skills to the labour market



The Wheel, through its *Sector Skills* programme, as detailed below, goes some way to fulfilling these objectives for the non-profit enterprise sector and, with further investment, so much more could be done.

## **The Wheel National Training Fund programme: Sector Skills**

### *Programme Background:*

As Ireland continues to face societal challenges, the non-profit enterprise sector is coming under ever greater pressure to do more with less. The understandable need for a changed legislative and regulatory environment is putting more demands on all non-profit enterprises. Alongside this, public trust of the sector is at an all time low and limited funding resources are available. The need for non-profit enterprises to have the skills, capability & capacity to ensure excellent service delivery, along with a focus on management of their resources as well as innovative ways of securing funding, is now greater than ever.

### *Programme Detail:*

The *Sector Skills* programme has been built with the National Skills Agenda at its core. It is a high delivery, value-for-money programme, developed by The Wheel to enhance the skills and employability of people working in non-profit enterprises in Ireland. The programme, which began in 2005 and is 80% funded by the Department of Education & Skills, ensures non-profit enterprises receive innovative, relevant, timely and quality training & supports to enable them deliver on their objectives, and provides the opportunity for them to apply skills in a meaningful manner. This results in a skilled and educated workforce that maintain and strengthen the economy's growth potential and deliver benefits to society as a whole.

Since June 2004, The Wheel's *Sector Skills* programme has been part-funded by the National Training Fund, initially under the auspices of the Department of Enterprise, Trade and Innovation, and since 2011 the Department of Education & Skills. The *Sector Skills* Programme is an innovative support service developed by The Wheel to enhance the skills and employability of people working in the non-profit enterprise sector in Ireland.

In The Wheel 2015 survey of non-profit enterprises, 40% of those surveyed did not have a training plan in place. However, this figure was at 60% in 2016, which shows the impact training support programmes like Sector Skills are having on non-profit enterprises. That said, this investment in training is key and must continue to ensure a thriving non-profit enterprise sector at the heart of a fair and just Ireland.

The *Sector Skills* programme clearly meets the three objectives of the National Training Fund, namely:

- Raising the skills of those in employment
- Providing training to those who wish to acquire skills for the purposes of taking up employment
- Providing information in relation to existing, or likely future, skills requirements in the economy



The Wheel supports organisations in the non-profit enterprise sector to engage in training with their employees, volunteers, board members, and other stakeholders. Some of this is done through forming networks of organisations (based on the Skillnets model), focusing on common goals and training needs.

This approach allows organisations to achieve economies of scale, increase efficiency and provide training that is relevant to the non-profit enterprise workforce, throughout Ireland, and embracing all types of support services.

There is also a significant benefit achieved through the sharing of organisational experiences and support, mentoring and advice that can be readily accessed through networking opportunities resulting from participating in these networks.

The *Sector Skills* programme has ensured that thousands of people in non-profit enterprises in Ireland have received high-quality, relevant training, thus equipping them to provide the best service possible to the people that need it most. Much of this has happened as a direct result of the supports of this programme.

#### *Value for money:*

The Sector Skills programme, with the NTF funding, enables The Wheel to add value to work already being done by front line services-delivery non-profit enterprises through direct capacity building; setting and promotion of highest standards in organisational practice; and assisting organisations to plan for their own organisational sustainability through collaborative partnerships and alliances:

- The capacity building training, supports and resources keeps front line services sustainable through accessing extremely cost effective training and supports
- Efficiencies in the areas of collaboration with the *Sector Skills* networks results in cost efficiencies in accessing training and impact positively on frontline service delivery
- Non-profit enterprises are being supported to be more sustainable by identifying alternative funding sources through training sessions and the best practice guides
- Guidance in the adoption of the Governance Code to help non-profit enterprises transition into an era of charity regulation, are built on leveraging the synergies across all of The Wheel's work with non-profit enterprises

### **Looking to the future**

Ireland's non-profit enterprise sector has grown hugely over the last 25 years, with a doubling in the number of organisations. The sector now comprising a significant proportion of national GNP (3%) and employing a significant part of the labour force (108,000 people or over 5% of the labour force of 2M people).

Ireland's non-profit enterprise sector is a hotbed of social innovation and social enterprise. The Forfás report: *Social Enterprise in Ireland: Sectoral Opportunities and Policy Issues* notes that "Social enterprise is a small but growing part of the enterprise base and ecosystem that has potential to



bring further job gains and deliver economic potential. There is both a demonstrated need, and a market for, social enterprise in Ireland. With the appropriate enabling and promotional effort, there appears to be scope for increasing jobs in the sector”.

A crucial component of the necessary investment is in training and development initiatives and supports targeted at the specific needs of the sector. The Forfás report notes that “to promote the development of the sector it will be important that curricula are changed so that social enterprise and non-profit management are included in mainstream academic business courses.” It also means that sector-sensitive provision needs to put on the same firm footing as mainstream academic courses.

The Wheel’s survey data from members indicates that respondents identify that flexible training is needed in the areas of governance, regulation and compliance; risk management; data protection; fundraising; social media; communications and marketing; PR; employment law; human resource management; leadership; cost-management and time management.

There is evidence that the sector has responded positively in recent years to dedicated focussed training and development initiatives which have led to an increased number of employers producing annual training plans and budgets.

In short, employers in the sector will be enabled to grow their operations, become more effective and efficient, increase productivity, increase the nature and extent of their services, employ more people and build an internationally focussed centre of excellence for exporting and selling knowledge and advice about developing the non-profit, social enterprise approach, if the necessary investment is made in supporting social enterprises in the years ahead.

One critical component of this will be increasing investment from the NTF in the sector, and in dedicated programmes and infrastructure to deliver it. It means putting the funding for sector-sensitive training and development on as secure a footing as mainstream academic business training.