Viewfinder 15

In September 2013 the Viewfinder 15 questionnaire was made available online to 906 NICVA member organisations. In total 156 organisations fully responded to the survey generating a response rate of 16.4%. This survey examines issues affecting the sector including bureaucracy, charity registration and the introduction of automatic pension enrolment.

Key findings

- Bureaucracy in public funding continues to be an issue in the sector, with over two thirds of organisations (69.4%) seeing an increase in the level of bureaucracy in public funding.

- 55.3% of organisations believe that the administrative requirements for publicly financed projects are not proportionate to the level of funding.

- 81.5% of organisations reported that their organisation appears on the “deemed listed” on the Northern Ireland Charity Commission’s website.

- Of those organisations that are not on the deemed list, 53.3% are not aware that it is going to be a legal requirement to register with the Charity Commission.

- The two most common actions taken by organisations in preparation for charity registration are reviewing their governance arrangements (57.1%) and their governing documents (51.3%).

- October 2012 saw the introduction of automatic pension enrolment however one quarter of responding organisations stated that they are unaware of the enrolment scheme.

- Half of organisations with an existing pension scheme believe that it is compatible with auto enrolment.

- Just over one third of organisations (34.5%) stated that they have begun to make arrangements in order to meet the new pension requirements.

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1 While Viewfinder 15 gives a flavour of the sector’s opinions and experiences of bureaucracy, charity registration and the introduction of automatic pension enrolment, the response rate is low and therefore results would not be representative of NICVA’s membership.
Bureaucracy

Disproportionate bureaucracy in funding administration has been an issue for the voluntary and community sector for some time. Organisations are finding that excessive bureaucracy with ever increasing demands over the years has skewed resources from the actual funded activity to over reporting.

As part of this viewfinder, member organisations were asked if they had noticed a change in the level bureaucracy in public funding applications. Over two thirds of responding organisations (69.4%) stated that they have seen an increase in the level of bureaucracy while 25.2% believe that the level of bureaucracy has stayed the same. Only 5.4% of respondents have seen a decrease with regard to bureaucracy in funding applications. Comments made by organisations in regard to this issue include:

“The criteria are always changing but the level of bureaucracy has always been significant.”

“More is expected for less funding. A lot of red tape and hurdles to justify sometimes small amounts of money.”

“Whilst we acknowledge the need for accountability, in many cases we find the demands over the top, putting additional unnecessary burdens on already stretched administrations (many of which are not eligible for funding). Negative experiences also discourage groups from applying to funders so those at local level who need the funds may not be accessing them.”

One respondent summed up the frustration of voluntary and community organisations by stating “The administrative workload has substantially increased in recent (years), and level of workload is not indicative of level of funding: i.e. same processes for large and small organisations.”

In addition to examining the level of bureaucracy, organisations were asked if they felt that the administrative requirements for publicly financed projects are proportionate to the level of funding involved. As Figure 1 below highlights, 55.3% of responding organisations believe that the administrative requirements are not proportionate to the level of funding involved while over a quarter of organisations are unsure.
Organisations that rely on funding from multiple funders often have to present their application and reporting information in a variety of ways, which can be administratively burdensome. Member organisations were asked if they have multiple funders, of which 74.4% responded that they do. Of those, half stated that they have experienced difficulties in meeting bureaucracy requirements of multiple funders.

Thirty-eight organisations took the opportunity to comment on the level of bureaucracy required of them as a result of multiple funders. These comments include:

“Audit hysteria overload.”

“Bureaucrats have clearly seldom walked in the shoes of volunteers.”

“Even though we get funding from BRO and VCU which both are within DSD there are different requirements in accounting for the spend for some small amounts of money.”

While most of the comments are negative a few organisations reported that they believe that level of bureaucracy is necessary

“Necessary in the present economic climate”

“It involves a fair amount of work but it is worth it for the funding. Funders often have different reporting requirements but there is little we can do about this.”
When asked if the issues with bureaucracy with regard to funding could be solved by greater use of the Government Funding Database, the majority of respondents stated that they are not confident that this would be the case with only 11% stating that it would improve levels of bureaucracy.

**Charity registration**

Organisations were asked a number of questions regarding charity registration. 90% of respondents stated that they were currently recognised as a charity (for tax purposes) by the HMRC. Of this 81.5% reported that their organisation appeared on the “deemed listed” on the Northern Ireland Charity Commission’s website.

Of the 10% of respondents that were not registered by the HMRC, 53.3% are not aware that it is going to be a legal requirement to register with the Charity Commission. These respondents were advised to contact the Charity Commission directly.

Organisations that are aware that it is going to be a legal requirement for all charitable organisations to register with the Charity Commission were asked what they have done to prepare for registration. Figure 2 shows what 106 of the organisations had done to prepare for charity registration.

**Figure 2: What have you done to prepare for charity registration?**

![Bar chart showing the percentage of organisations that have done various preparatory actions for charity registration.]

- Reviewed governance arrangements: 57.1%
- Reviewed governing document: 51.3%
- Reviewed mission, vision and values: 48.7%
- Governance training for the board: 32.1%
- Other: 19.9%

**Base:** 106 respondents (multiple responses)

The two most common actions taken by organisations in preparation for charity registration are reviewing their governance arrangements (57.1%) and their governing documents (51.3%).
Pensions (auto enrolment)

October 2012 saw the introduction of automatic pension enrolment. Arguably the biggest UK pension reform in recent years. Employers now have to auto-enrol eligible employees, and make mandatory employer contributions, into a qualifying workplace pension scheme\(^2\). It has been designed to reinvigorate pensions saving, especially for the low paid and to encourage a retirement savings culture in the UK. Auto enrolment will be phased in over six years with the largest employers leading the way with the first staging date on 1 October 2012, followed by medium-sized employers and lastly small and micro employers. The size of an employer’s largest PAYE scheme will determine at what point the new duties affect their organisation\(^3\).

As part of Viewfinder 15 organisations were asked if they are aware of the automatic pension enrolment. Nearly two thirds of responding organisations (65.1%) stated that they are aware of the automatic enrolment, while 25.2% stated that they had no knowledge of it at all.

Organisations were also asked if they were aware of what the implications are for their organisations. 64.7% of responding organisations stated that they did. Of those that were not sure, most commented that they are currently in the process of reviewing this. Organisations were asked about their auto enrolment staging date. As Figure 3 below illustrates over half of organisations (57%) do not know or are unsure of their staging date. A possible reason for this is that some organisations have a small number of employees and therefore their staging date may not be for some time (as far away as 2017). As organisations will be contacted 12 months in advance of their staging date by the pension regulator, some organisations may feel that there is no urgency in looking at auto enrolment until they are contacted.

Figure 3: Is your organisation aware of the staging date?

Base: 150 (116 missing)

\(^2\) http://www.personnelloday.com/employers-guides/pensions-auto-enrolment/
\(^3\) http://www.nowpensions.com/what-we-offer/auto-enrolment/
In addition organisations were asked if they had an existing pension scheme of which 37.3% stated that they did. Of these organisations, half believe that their existing pension scheme is compatible with auto enrolment.

Since auto enrolment has now been phased in for over a year, this survey asked organisations if they had started to make arrangements for the new pension requirements. Just over one third of organisations (34.5%) stated that they have begun to make arrangements in order to meet the new pension requirements.

Information

If you would like further information on any of the themes discussed in Viewfinder 15, or if you would like further information about the survey or how to include questions in future Viewfinders, please contact Andrea Thornbury at:

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Visit: http://www.nicva.org/research

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