



IRISH LOCAL DEVELOPMENT NETWORK

Promoting and supporting the work of Local Development Companies in Ireland

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PRE-BUDGET SUBMISSION FOR BUDGET 2021

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About ILDN

The Irish Local Development Network (ILDN) is the representative body of Ireland's 49 Local Development Companies – multi-sectoral partnerships that deliver community and rural development, labour market activation, social inclusion and social enterprise services.

On an annual basis, ILDN member companies – through state-funded programmes like LEADER, SICAP, Local Employment Service and Jobs Clubs – support:

- More than 15,000 communities and community groups;
- Over 173,000 individuals.

The various programmes delivered by ILDN members are funded by the Departments of Rural and Community Development, Employment Affairs and Social Protection, Children and Youth Affairs as well as the HSE and the Education and Training Boards.

The positive impact of Local Development Companies' work has been independently verified by successive independent reviews of the programmes, most recently by Indecon International Consultants and the ESRI on employment and pre-employment supports. Findings included that:

- Nearly 90% of employers reported that the LES and Jobs Clubs have helped find suitable candidates for vacancies and
- 83% of employers said that the LES and Jobs Clubs have provided an efficient recruitment service for their organisation.

In addition, our member companies' services have achieved an exceptional rate of 28.8% for getting long-term unemployed people placed in work over 30 hours a week.

Access to the Recovery for All

Given the commitment of Local Development Companies to social inclusion, the main focus of our pre-budget submission for Budget 2021 is to assist people – who haven't yet shared in the economic recovery of recent years and have been hard hit by the economic difficulties caused by the recent pandemic – get greater access to the fruits of the forthcoming upturn.

In this regard, our proposals relate to improved labour activation services and other community programmes.

Proposals

Focus Labour Activation on 'Hard-to-Reach' and on Community-Based Models

Whilst the proposals in the July Stimulus package are very welcome, many other initiatives are required to support short-term, long-term and youth unemployed to get back to work. These include:

- Changes to eligibility and time-on-scheme provisions for Tús along with extra places for the scheme. As current Tús participants are long-term unemployed and distant from the labour market, their employment prospects have been comparatively worsened given the increase in short-term unemployed due to COVID-19. Retaining these citizens on Tús after their initial year is almost cost-neutral and would have considerable benefits for the individuals themselves as well as the communities in which they provide services.
- Increasing capacity in the not-for-profit activation sector including an extension to nationwide provision through Local Development Companies who already operate the Local Employment Services and SICAP Pre-Employment Supports.

Increase in Social Inclusion Programming Budget

Those who are already disadvantaged are likely to be more so since the onsets of the recent crises in health, economy, education and employment. This will be exacerbated by poorer access to information technology, digital/ online services. Whilst the CSO have not yet mapped the incidence of Covid and Covid-related deaths onto the HP Deprivation Index, we know that Covid is not a leveller – there is a strong international correlation between the incidence of Covid-related deaths and areas of deprivation¹.

Currently, the Social Inclusion budget stands at 50% of what it was in 2008 (€43m currently, €84.7m in 2008) and Ireland ranks high internationally for social exclusion. Eurofound (2019) scores social exclusion here at 28.9 out of 100, well behind Denmark (17.5), Germany (20.8), Latvia (22.2) and Estonia (25.2).

As we move into the recovery phase from the pandemic, digitization and the remote delivery of services will become more normal across society, thus causing further disadvantage to groups with poor access to and experience of digital channels.

Statutory initiatives to bridge the digital divide to date have been insufficient. To protect vulnerable groups – typically SICAP target groups – ILDN proposes a Digital Inclusion Fund (DIF) to be administered by Local Development Companies in conjunction with SICAP.

Such a Digital Inclusion Fund would have three principal elements:

¹ cf. UK Office for National Statistics – of 22,283 Covid-related deaths to 23/04/2020, the incidence is the most deprived decile of area is more than double than of the least deprived decile (118%, 55.1 deaths per 1,000 vs.25.3)

- 1) It would provide a Digital Enabler in each LDC who would work internally but mostly externally with target groups (e.g. local community groups, social enterprises) to provide Going Back to Work and Ongoing Supports to adapt and innovate in the new environment. As local community groups and social enterprises use LDCs for ongoing advice on health and safety and other compliance issues, the DIF would resource Health & Safety/Compliance Officers in LDCs who will also be deployed to ensure the Social Inclusion target groups are supported to participate fully in civic society for the benefit of their own members.
- 2) The digital challenge also requires support for target groups in the provision of hardware and software if they are not to be further distanced.
- 3) New programmes and training for specific target groups such as Travellers, Roma, migrants, NEETs etc.

The proposed Digital Inclusion Fund is in line with the European Commission’s recommendation (Council Opinion on the 2020 Stability Programme for Ireland, 20.05.20 COM 2020 507 Final, page 8) that Ireland “*address the risk of digital divide*” so that digitization “*does not increase educational and social inequalities.*” (page 6).

SICAP is the ideal vehicle to address this issue, given its ‘on-the-ground’ connections to communities in need. Pobal’s monitoring reports on SICAP demonstrate that it is successful in meeting its targets and the programme’s effectiveness is further demonstrated by recent independent ESRI research conducted by Professor Emer Smyth which stated:

“Our findings show the success in engaging with hard-to-reach groups in SICAP through building up relationships of trust with the local community and adopting a holistic approach to meeting their needs.”

SCIAP not only tackles social exclusion but is a key enabler of other programmes and services for which monetary funding is not provided to Local Development Companies.

Helping to Deliver Climate Action

ILDN welcomes the climate action provisions of the Programme for Government as well as the Climate Action Plan 2019 and the related Annex of Actions. We particularly note Section 12 on *Citizen Engagement, Community Leadership and Just Transition*.

As Local Development Companies currently provide services to 15,000 community groups and 173,000 persons annually, ILDN members offer a unique vehicle to ensure that the plan connects with communities on the ground and we recommend the deployment of community development methodologies through LDCs and in partnership with DRCD and SEAI, to ensure the success of key aspects of the plan, particularly Actions 159 – 180.

The country’s Local Development Companies recommend a bottom-up community engagement approach to delivering on commitments in the Programme for Government and the Climate Action Plan. Without such an approach, communities will be distanced and disadvantaged communities will suffer the greatest negative impacts of Climate Change. ILDN recommends the greater integration of SICAP and social inclusion supports with

governmental climate initiatives – LDCs are already engaged in a range of initiatives in this areas.

Rural Development

Rural communities face distinct challenges in the attempt to recover from the economic and social shock of COVID-19 and to assist them in this recovery process ILDN is proposing:

- An increase in the Rate of Aid in LEADER from 50% to 75% for private enterprise and up to 90% for community projects, as was done in the last downturn and as has been applied in other state-funded programmes.
- Quick progress and delivery of the Programme for Government commitment to develop a state-led Rural Development Programme to bridge the gap to the next LEADER Programme.

Future Funding Model for Local Development

Local Development Companies play a key role in implementing a range of state services and this is despite suffering deep funding cuts whilst addressing the compliance, governance and data management responsibilities which have increased exponentially in the last decade. The companies' sustainability and ability to deliver their services to hundreds of thousands of citizens is in question without state-wide acceptance that programme costs must take account of employer responsibilities, governance and compliance costs.

Given the sector's key role in the delivery of €330 million worth of state programmes, a sustainable funding model is required to ensure continuity of service and meet Ireland's objectives in social inclusion, labour activation, rural development and climate action.

We are calling on the Government to consider its vision for local development in consultation with ILDN and to begin to put in place an appropriate funding model to meet the commitment given in the five-year strategy, *Sustainable, Inclusive and Empowered Communities* (Rialtas na hÉireann, 2019, Objective 4, Action 4.1, page 27).

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