

BUDGET 2023

Protecting Communities &
Promoting Social Inclusion

JULY 2022

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INTRODUCTION

Irish Local Development Network CLG (ILDN) is the national representative body for Ireland's 49 Local Development Companies (LDCs).

LDCs operate in all urban, rural and island communities, delivering €350 million of social and economic programmes each year that support over 175,000 individuals and 15,000 community groups. Programmes are delivered on a bottom-up basis, overseen by voluntary boards that are constituted to ensure a community-led, socially-inclusive focus.

Current Programmes include the Social Inclusion & Community Activation Programme (SICAP), LEADER, Rural Social Scheme, Tús, Local Employment Services, Jobs Clubs, the Rural Recreation Programme, the Walks Scheme, Back to Work Enterprise Allowance, Social Farming, Ability, Social Prescribing and supports for Social Enterprises.

Each of our member LDCs are unique and provide services that reflect the needs of their communities. Beyond the core programmes listed, LDCs also deliver national and European initiatives that enhance the development of their communities through enterprise, training, activation, education, health, and community supports.

ILDN as a representative body supports members through coherent policy development, research, HR support, networking, knowledge transfer, procurement, and Garda vetting. It liaises with funders and policymakers to ensure the voice of communities and programme delivery specialists are highlighted in national, regional and local community policy and provision.



IRISH LOCAL DEVELOPMENT NETWORK MEMBERS

- Avondhu Blackwater Partnership
- Ballyfermot/Chapelizod Partnership
- Ballyhoura Development CLG
- Bray Area Partnership
- Cavan County Local Development
- Carlow County Development Partnership
- Clare Local Development Company
- Comhar na nOileán CTR
- Cork City Partnership
- County Kildare LEADER Partnership
- County Sligo LEADER Partnership CLG
- County Wicklow Partnership
- Donegal Local Development CLG
- Dublin City Community Co-op
- Dublin Northwest Partnership
- Dublin South City Partnership
- Empower
- Fingal LEADER Partnership
- FORUM Connemara
- Galway City Partnership
- Galway Rural Development Company
- Inishowen Development Partnership
- IRD Duhallow CLG
- Kilkenny LEADER Partnership
- Laois Partnership Company
- Leitrim Integrated Development Company
- Longford Community Resources CLG
- Louth LEADER Partnership
- Mayo North East LEADER Partnership
- Meath Partnership
- Monaghan Integrated Development CLG
- NEWKD
- North Tipperary Development Company
- Northside Partnership
- Offaly Local Development
- PAUL Partnership
- Roscommon LEADER Partnership
- South Dublin County Partnership
- SECAD
- South Kerry Development Partnership
- South Tipperary Development CLG
- South-West Mayo Development Company
- Southside Partnership DLR
- Waterford Area Partnership
- Waterford LEADER Partnership
- West Limerick Resources
- West Cork Development Partnership
- Westmeath Community Development
- Wexford Local Development

ILDN BUDGET 2023 PRIORITIES

Whilst inflationary pressures are posing serious challenges for disadvantaged, low-income individuals and families that require an appropriate exchequer response, community services also require protection and promotion given their key role in identifying, reaching and supporting the most vulnerable in society.

The community response to COVID and the Ukrainian crisis has demonstrated the capacity of Local Development Companies to protect vulnerable communities whilst providing value-for-money and a collaborative service to the state.

Budget 2023 offers the Government an opportunity to build on these proven strengths as well as further building the community infrastructure and model outlined in the government's five-year strategy Sustaining Communities.

ILDN PRIORITIES FOR BUDGET 2023

- *Budget 2023 provides an opportunity to take additional steps towards the restoration of the SICAP Budget to 2008 levels.*
- *ILDN is recommending an increase in the LEADER allocation of €19m per year.*
- *ILDN recommend reforms to eligibility and conditions of Tús, Community Employment, JI & Rural Social Schemes in order to maximise participation by unemployed individuals and protect vital community services.*
- *ILDN considers that a new Asylum and Migrant Integration Programme is required with a revised funding model to replace the current requirement for 25% matched funding.*
- *A small-scale capital grant scheme for social enterprises via LDCs is required in Budget 2023.*
- *ILDN calls for the introduction of a new employment programme for people with disabilities as a successor to the Ability Programme and an extension of the current DAF funded programme to bridge the gap until its commencement.*
- *The introduction of a Core Costs Model is required to ensure the future sustainability of the Local Development Sector.*



The Social Inclusion & Community Activation Programme (SICAP) is Ireland's primary social inclusion intervention and is delivered nationwide exclusively by Local Development Companies.

The programme aims to reduce poverty and promote social inclusion and equality in Ireland through supporting communities and individuals via community development, employment and pre-employment supports and social enterprise supports.

SICAP has proven a high-impact, agile programme which has offered exceptional value to the state and communities. It has been subject to extensive monitoring and evaluation by Pobal, ESRI, LCDCs and auditors and consistently reaches and exceeds targets.

Most recently, it has won a worldwide 2022 United Nations Public Service Award in the category of "Institutional resilience and innovative responses to the COVID-19 pandemic." This is a significant testimony and international recognition for Ireland's primary Social Inclusion programme.

Despite these independently-verified impacts, the SICAP budget remains at approximately half its 2008 level. **Having been at €84.7 million fourteen years ago, the programme retains a much-reduced annual allocation of approximately €44 million in 2022**, albeit with a temporary addition to address the needs of recent arrivals from Ukraine.

The programme's target groups have been experiencing an acute lack of housing supply and now face rapidly increasing inflation which is already resulting in increased food and fuel poverty.

The COVID19 pandemic and the current inflationary environment had already laid bare such food and fuel poverty as the target groups' overall disadvantage and marginalisation.

The support needs of those most disadvantaged in our communities is growing rapidly and significantly. As the National Social Inclusion Programme, more investment is needed to tackle the issues that pre-existed and are now compounded by COVID and inflation. The effects of national responses to COVID such as lockdown, social isolation etc. have also compounded issues for disadvantaged groups across the country such as access to basic services, domestic violence, substance abuse, mental health, unemployment, food poverty etc.

Inflation coming after a decade of cutbacks is extremely challenging for LDCs who have extremely limited ability to give pay rises to long-serving staff. The staff employed by SICAP are its greatest asset and are highly skilled in the design, planning and implementation of social inclusion actions as well as being expert at building strategic relationships with state agencies and other stake holders to maximise the outcomes for SICAP target groups. However, this strength is under increasing pressure from the inability to provide for wage increases and professional development costs. LDCs are facing difficulties in attracting and retaining staff because terms of employment and career development opportunities they can offer within SICAP are less attractive than those in public service employment and currently our members are subject to industrial action for improved terms and conditions.

LDCs need a budget that reflects a sense of real urgency in addressing the various crises that we have seen steadily worsen over the past number of years - increasing homelessness, fuel, food and other forms of poverty, social isolation, a growing educational divide and climate breakdown.

The ILDN also wishes to highlight the increase in child poverty over the previous decade and our commitment to early intervention and family support to address inequality and support integration.

We want to see these issues named and highlighted in the budget and the transformational change now required to tackle these issues equally reflected in spend allocation and targets.

Budget 2023 provides an opportunity to take additional steps towards the restoration of the SICAP Budget to 2008 levels.





The upcoming EU LEADER programme is due to commence in 2023 and has been allocated a budget of €180m for the period until 2027, averaging €36 million per year.

This represents a significant shortfall on the average budget in the previous programme where €250m was available over the allocation period of 4.5 years (2017-2020), averaging €55m per year.

This shortfall will impact rural communities in reduced funding for community infrastructure and enterprise development as well as for staffing in Local Development Companies, resulting in layoffs for current personnel.

As LEADER is a key enabler of other programmes delivered by rural Local Development Companies, the capacity of the volunteer-led companies will be significantly reduced at a time when there are already disproportionate pressures on rural communities through fuel inflation.

In order to mitigate the undoubted and significant impact on rural communities, ILDN is recommending an increase in the LEADER allocation of €19m per year or the introduction of a National Rural Development Programme along the lines previously implemented to address shortfalls in LEADER allocations.

Preparations for the next LEADER Programme 2023-2027 are reaching an advanced stage. Budget 2023 must set out a realistic government ambition for the next LEADER Programme. It is critical that Government allocates the maximum percentage allowable of exchequer co-funding for the purposes of LEADER 2023-2027. **ILDN are calling for a commitment to providing the maximum allowable exchequer funding for the 2023-2027 Programme.**

In order to increase efficiencies and ensure full implementation of the core LEADER Principles, ILDN are also seeking implementation of the Programme for Government commitment to deliver LEADER through Independent Local Action Groups supported by Local Community Development Committees.



The Rural Social Scheme (RSS) is aimed at low-income farmers and fishers. To qualify for the RSS an applicant must be availing of a social welfare payment. In return, RSS participants provide services that benefit rural communities. Approximately 2850 places out of a national quota of 3350 are currently filled.

The Department of Social Protection (DSP) has overall responsibility for policy in relation to the Rural Social Scheme, including eligibility criteria. At a local level, the Scheme is managed by 36 Local Development Companies and, in the Gaeltacht areas, by Údarás na Gaeltachta.

The Rural Social Scheme requires participants to work for 19.5 hours per week and is administered in a farmer/fisher friendly manner, allowing participants to work flexible hours.

Since its inception, the RSS has been a tremendous success, providing income supports for farmers and fishers, facilitating infrastructural supports for local communities and managing environmental resources and tourism assets such as the Wild Atlantic Way. In recent years, RSS has made an increasing contribution to biodiversity in local communities and allowed local groups to implement environmental management plans.

In recent years, due to rule changes and changes in the operating environment, the RSS has, for the first time, faced challenges with recruitment and with maintaining its numbers. Due to changes to the payment structure introduced on 1st February 2017 the RSS is now operating under different rules for different participants. Retirements will also have a significant impact as there are 406 persons due to exit over the coming three years (152 in 2023; 134 in 2024 and 120 in 2025).

There are currently approximately 500 vacancies and this is likely to increase unless mitigating actions are undertaken.

ILDN PROPOSAL TO REFORM THE RSS AND ADDRESS THE ISSUE OF DECLINING NUMBERS

Whilst the abolition of the 6-year rule is very positive and welcome, there remain some fundamental challenges which Budget 2023 can help ameliorate:

- *An independent value for money review of the RSS is required. The last Social Cost benefit analysis of the RSS was published in January 2009 and found that for every €1 of cost to the exchequer there are €2.89 of quantifiable benefits. An updated value for money review is required.*
- *Increase top up to €100 per week for participants. This is required to cover the costs of going out to work and meet rising fuel prices which significantly impact rural areas.*
- *Increase disregard on off-farm employment when carrying out the Farm Assist means test. This will allow more farmers to qualify for the RSS.*
- *Allow RSS participants to maintain IQA if partner's wages are under €400/week in order to encourage participants' partners to take up off-farm employment.*
- *Allow Fishers who work on trawlers to qualify - not just the boat owners.*
- *For means testing, increase the review period from one financial year to an average of three financial years. This will cater for situations where one good but atypical trading year can make a potential or existing participant ineligible for the scheme.*
- *DSP to refer farmers to the Implementing Bodies through the circulation of 'new opportunity letters' each year to farmers on Farm Assist. Co-ops, Marts, Farm Advisory bodies such as Teagasc should also make clients aware of the benefits of RSS and refer them. The voluntary nature of the scheme must continue to be respected.*
- *Recognise and promote the societal benefits of the RSS through a national campaign and consistent with the recognition of these benefits, open the scheme to any farmer on Farm Assist once there is a place available and community work to be done.*
- *From a biodiversity and sustainability perspective as well as protection of habitats and watercourses, as a country we are relying heavily on farmers and fishers to be custodians of much of our countryside. The Rural Social Scheme must recognise this essential public good element and desist from the push to leave farming and take up outside work.*



The Tús initiative is a community work placement scheme providing short-term working opportunities for unemployed people. The work opportunities are to benefit the community and are provided by community and voluntary organisations in both urban and rural areas. The Tús initiative is managed by Local Development Companies and Údarás na Gaeltachta for the Department of Social Protection (DSP), which has overall responsibility for the scheme.

The contribution of the Tús programme to both jobseekers and communities has been significant. With the Live Register close to at an all-time low, there have been difficulties with referrals including an imbalanced exit and entry process which has depressed numbers being referred to the Tús initiative. The current number of participants is less than 5,000, far below the budgeted national quota.

An ineffective referral system combined with eligibility and duration rules that were designed for a different era are obstacles to unemployed persons and host communities and groups benefitting from Tús.

ILDN PROPOSE THE FOLLOWING REFORMS TO THE TÚS SCHEME

- *Reduce the period from which a Tús participant who has completed a placement can access another Tús placement from 3-years to 1-year. This approach allows the maximum number of jobseekers access to the scheme and its benefits from a productivity, educational and societal perspective.*
- *Whilst the recent change to allow the retention of those whose positions cannot be filled, this facility should be extended to those who would benefit from additional work placement – in the case of many participants, their ability to secure and sustain a position in the open labour market is weak and requires more than one year's preparation in Tús. It is evident that the 12-month Tús contract for those coming from long-term unemployment is not sufficient to allow many participants to break the cycle of unemployment and fully re-integrate with the open labour market. The extension of contracts is recommended for participants who are identified as needing increased support to ensure their eventual progression.*
- *Update the eligibility criteria to increase access to the Tús programme to more jobseekers. The current eligibility excludes those who may have engaged in pro-active job seeking activities in the previous year.*
- *Furthermore, there are many who are jobless may not be on the Live Register and who would welcome an opportunity to pursue a scheme such as Tús.*

EXAMPLES OF HOW ELIGIBILITY COULD BE EXTENDED INCLUDE:

- *Reducing the qualifying period for Tús to 6 months*
- *Allowing all periods of training, work experience and short-term employment to count towards Tús eligibility*
- *Extending eligibility to those not in receipt of a DSP payment but have training or those who are coming off a payment and are considering pursuing employment again.*

ILDN PROPOSE THE FOLLOWING REFORMS TO THE COMMUNITY EMPLOYMENT SCHEME:

- Participants who leave the CE Scheme, or who do not take up another year within their current placement when their contract ends should be eligible for CE again after a 3-month period.
- Reinstate the CE scheme training budget to €500 per participant per annum in order to maximise training opportunities for participants beyond the current options.
- Develop a broader range of criteria for what is deemed acceptable in terms training options. This will allow for enhanced participation and improve post scheme career opportunities while also catering for participants with literacy & numeracy issues as well as other learning-based difficulties.

JI (JOBS INITIATIVE) PROGRAMME

The Job Initiative scheme provides employment for people employed for over 5 years who provide services in the community through host organisations such as Local Development Companies. Whilst the scheme is still in existence, it has not been open to new candidates since 2004. Thus, numbers are dwindling and the cost of supporting remaining participants is rising for host organisations as economies of scale have disappeared. This situation needs to be addressed in order to protect 1) existing participants, 2) existing host organisations and 3) host communities where valuable work is being undertaken and where the unsustainability of the current situation will lead to a collapse in services if not addressed.

ILDN IS CALLING FOR an immediate, focussed review of JI and recommends new arrangements to protect participants and properly remunerate Implementing Bodies whilst the scheme winds down in an orderly fashion.





The Ability Programme, introduced in June 2018, was a three-year pilot pre-activation programme for young people with disabilities. The funding for the programme was €16 million and was provided jointly under the European Union's ESF 2014-2020 Programme for Employability, Inclusion and Learning Operational Programme and the Irish Exchequer. The Ability programme supported over 2,600 young people with disabilities between 15 and 29 years of age. The Department of Social Protection implemented a two-month extension to the 26 organisations still operating under the programme at that time and the programme concluded at the end of August 2021.

In July 2021, the DSP announced a new employment support measure for people with disabilities under Dormant Accounts Funding (DAF). The DAF Measures to Support the Employment of People with Disabilities programme began in September and runs up to the end of 2022. 45 projects have been funded up to an amount of €7.6 million. All organisations who had previously received funding under the former Ability Programme and applied were successful in securing funding under this measure.

The Minister for Social Protection, Heather Humphreys, has stated that *“a new employment programme for people with disabilities will be included in the measures under a new Operational Programme for Ireland under the European Social Fund Plus (ESF+) 2021-2027. The new disability focused employment measure will build on the learnings from the former Ability Programme.”* She went on to say that *“the ESF Managing Authority in Ireland - based in the Department of Further and Higher Education, Research, Innovation and Science - is currently compiling the Operational Programme which will be submitted for Government Approval in the summer, prior to formal submission to the European Commission. It is expected that Commission approval will be communicated in the latter part of the year. It is anticipated that the new disability programme will be open in 2023 to applications from organisations across the country including the 27 former Ability Programme organisations.”*

ILDN CALLS FOR this new employment programme for people with disabilities under a new Operational Programme for Ireland under the European Social Fund Plus (ESF+) 2021-2027 and an extension of the DAF funded programme to bridge the gap until the ESF+ 2021-2027 Programme comes to fruition.

The Asylum and Migration Integration Fund is now administered by the Department of Children, Equality, Disability, Integration and Youth and is implemented locally by several Local Development Companies. The current programme is due to finish in August 2022.

ILDN considers that a new programme is required to support existing and new migrant communities but such programme will require a revised funding model to replace the current requirement for 25% matched funding and the retrospective payment arrangement that requires other scarce funding to frontload the programme.

SOCIAL ENTERPRISE

Social enterprise are businesses whose core objective is to achieve a social or environmental impact. Like other businesses, they trade in goods or services but any surpluses they generate are re-invested into achieving a social impact. Ireland is highly reliant on social enterprise and has the potential to create many more services and jobs in the sector.

The key supports available to new and established social enterprises in Ireland are provided by Local Development Companies who have a network of over 40 Social Enterprise Support Officers across the country. As well as providing assistance with marketing, business planning, training and governance, LDCs play a key role in the implementation of the National Social Enterprise Strategy. In addition, Local Development Companies exclusively operate the SICAP and LEADER Programmes which have social enterprise funding and other supports as component activities under EU Partnership Agreements. LDCs also provide social enterprises with the opportunity to employ individuals through activation and other schemes (e.g. CE, Tús, RSS and JI) at the start-up and scaling stages. Many LDCs also directly operate social enterprises e.g. in childcare, reuse/upcycling, meals and wheels and community services.

ILDN administers the Social Enterprise Regeneration Programme on behalf of DRCD and is an implementing partner for the Social Enterprise Baseline Data Collection Project and the ARISE Initiative (Awareness Raising Initiatives for Social Enterprise).

During COVID restrictions, the social enterprise sector suffered a collapse in trading income whilst simultaneously being relied upon to provide increasing service. There is a resulting, ongoing need for recovery and stimulus supports in the sector and LDCs are ideally placed to administer these.

Investment in Social Enterprises provides the State with the opportunity to meet a range of objectives in terms of job creation and the provision of vital services. A small-scale capital grant scheme for social enterprises via LDCs is required in Budget 2023.

A SUSTAINABLE LOCAL DEVELOPMENT SECTOR

ILDN is seeking the introduction of a core cost funding model as a more sustainable and equitable approach to supporting the inclusion focused and anti-poverty work of Local Development Companies countrywide.

This model is based on a full cost recovery system in line with Objective 4 of the Government's Sustainable, Inclusive and Empowered Communities strategy.

LDCs are responsible for implementing a range of programmes and initiatives, funded by the state and EU sources, to address poverty, disadvantage, exclusion and discrimination experienced by key target groups and marginalised communities.

The recent COVID and Ukrainian crises have demonstrated both the value and the need for an agile social inclusion response by the state via LDCs that have close community connections and networks as well as staff skilled in community development and local implementation processes.

However, LDCs are currently funded on a programme-by-programme budget basis with excessive fragmentation and disjointed provision that act as impediments to maximising of the programmes' remits and the resulting investment return opportunities. As such, the current funding approach does not contribute to a sustainable operational framework.

There is a very fundamental imbalance between, on the one hand, the workload and compliance burden on LDCs and, on the other, the resources and reliability of same that is available to the sector. This is not only leading to unnecessary risk, it is also creating a brain-drain from the sector and risks undoing the unique strength of the Irish NGO Local Development Sector.

ILDN has been arguing for a process to address this issue for many years and the Sustainable, Inclusive and Empowered Communities strategy provides a framework to progress this issue but it must move to implementation stage without further delay i.e. the introduction of a fit-for-purpose core costs funding model that is premised on a full-costs recovery system.

The core costs funding model proposed will provide the necessary scope for LDCs to better achieve outcomes related to the Government's inclusion focused policy objectives and will help simplify matters in the recording, reporting and verification of management and administration functions involved in multiple programmes delivery. Properly resourced LDCs will continue to provide the state with transparent and credible systems for programmes delivery countrywide that meet best practice governance standards, high level quality performance and achievement and regulatory compliance.

Building Vibrant Inclusive Communities, across Ireland



CONTACT US
Irish Local Development Network
Unit 24
Tait Business Centre
Dominic St, Limerick

www.ildn.ie
info@ildn.ie

Irish Local Development Network CLG
is supported by The Scheme to Support
National Organisations which is funded
by the Government of Ireland through the
Department of Rural and Community Development.

Irish Local Development Network CLG is also
supported by the Department of Social Protection.

The members of Irish Local Development Network
CLG also pay an annual subscription fee to support
the work of the Network.



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