Budget 2024
Bringing Everyone Along

Submission by the
Irish Local Development Network

Contents

Executive Summary 1

Tackling Poverty and Social Exclusion 3

Social Integration and New Communities 6

Childcare, Social Inclusion, and the Elimination of Child Poverty 8

Mica- and Pyrite-affected Homeowners: Supporting the Most Vulnerable 9

Enhancing our Work Activation and Income Support Schemes 10

Advancing our Climate and Environmental Goals 13

Strengthening our Community & Voluntary Sector 15

Supporting and promoting the Social Economy 17

Unlocking the potential of the Irish Local Development Network 20

About the Irish Local Development Network 23

Executive Summary

Profound changes have occurred across our society and economy over the past 24 months or so. During that time, the turmoil of the Covid-19 pandemic has given way to a cost of living crisis, an unprecendented surge in the number of peopel seeking international protection, historically low levels of unemployment, and a growing appreciation of the gravity of our climate and environmental responsibilities.

While there are many positives to celebrate, changes of this magnitude inevitably produce winners and losers and accentuate disparities between "haves" and "haves nots". Persistent disparities must be tackled if the worst effects of the cost-of-living crisis are to be mitigated, our climate and environmental ambitions are to be realised, and Ireland's growing new communities are to integrate into our society in the way that the Government, an overwhelming majority of the general public, and they themselves, would like.

None of these aspirations are realisable if sections of society are left behind by the changes that are unfolding. As such, we are encouraging Government to make inclusiveness a cross-cutting theme of Budget 2024, and to ensure that it is a budget that is designed to "Bring Everyone Along".

With this as a point of departure, our recommendations encompass six overarching themes:

1. Tackling Poverty and Social Exclusion	4. Strengthening our Community & Voluntary Sector
Despite the healthy state of the national economy, levels of deprivation in Ireland have risen across the past year, as inflation has eaten into the purchasing power of the least well-off. Equally, the buoyancy of our jobs market means that those that are not currently active within it tend to be quite a long distance from it, and often require a more intensive and tailored blend of activation and inclusion supports. Further, even as the growth in refugee numbers has begun to decelerate, it has become increasingly clear that the needs of this group are evolving, not receding, and that integration supports must adapt accordingly.	Consensus is building around the need to better support our C&V sector, the importance of which has been powerfully demonstrated through pandemic lockdowns, a deepening housing and homelessness crisis, acute cost-of-living pressures, and an unforeseen and unprecedented increase in refugees arriving in Ireland. There is a pressing imperative for Government to ensure that the sector is equipped to deal with these mounting pressures
2. Enhancing our Work Activation and Income Support Schemes	**5. Supporting and promoting the Social Economy**
Government and the wider public must take care not to lose sight of the importance of schemes like Community Employment (CE), Tús, Rural Social Scheme (RSS), Back to Work Enterprise Allowance (BTWEA), and others, given the present climate of so-called "full employment". Focus must instead centre on how these schemes can adapt to reflect the changing needs profile of current and prospective participants, and on how basic standards of fairness can be ensured.	For the social economy to be sustainable and prosperous in the long-term, markets must incentivise, support, and reward the creation of social value. There is considerable scope for Government to broaden the opportunity space for social enterprises and other C&V organisations, which would require the adoption of measures that, in many cases, have already proven successful in other EU countries.
3. Advancing our Climate and Environmental Goals	**6. Unlocking the potential of the Irish Local Development Network**
Ireland's C&V sector, through its role in the delivery of a broad spectrum of grassroots services, has become deeply embedded in local communities nationwide. We encourage Government to leverage the relationships and capabilities that the sector has acquired to bridge the gap between national policy and local practice, particularly in the area of climate and the environment, where this gap is known to be especially problematic.	The Irish Local Development Network, as the umbrella body for the local development companies, plays a pivotal role in engagement, development, implementation and policy. The existence of this single entity through which the sector can act as one voice, and via which Government can easily tap into the capacity of the member companies, adds significant value to government efforts to develop and roll out action plans and commitments made.

1. Tackling Poverty and Social Exclusion

The social inclusion landscape has shifted dramatically since the publication three years ago of the Roadmap for Social Inclusion, and we acknowledge the efforts made by Government to adapt and respond to this changing picture. In doing so, it is important also to recognise that the Government's capacity to adapt and respond has reflected the dynamism of Ireland's Community and Voluntary (C&V) sector.

Against the backdrop of a post-Covid economy which has been challenging for many people – and acutely challenging for some – and the sudden and unexpected expansion of our new communities that was precipitated by Russia's invasion of Ukraine, the C&V sector now finds itself engaging with entirely new target groups, as well as with established ones whose needs profile has evolved considerably since the turn of the decade. Therefore, while fiscal imperatives demand that new and expanded supports be specific and targeted, recent experience also highlights the importance of building flexibility into such supports.

We encourage Government to continue its efforts to build and leverage the capacity for inclusiveness initiatives that are developed and implemented at a local level. Applying this community- or area-based focus will help to ensure that the C&V sector is equipped not only to deliver specific, targeted supports to individuals and groups that are most vulnerable to social exclusion and poverty, but also to adapt those supports as the needs of those groups evolve.

The Social Inclusion and Community Activation Programme (SICAP), which is Ireland's flagship social inclusion programme, represents a crucial instrument for tackling poverty and social exclusion at a local level. Multiple studies illustrate the significant and multi-faceted impact of SICAP, for example, through the provision of pre-employment supports,[2] the advancement of gender equality,[3] and the integration of new communities.[4] This Government has demonstrated a strong awareness of the value generated by SICAP, exemplified by year-on-year increases in SICAP funding.

In determining an appropriate budgetary allocation for SICAP, we believe that it is important that careful consideration is given to:

- *The additional demands that will be placed on SICAP* in the months and years ahead, as unprecedented numbers of asylum seekers and refugees seek to integrate more fully into Irish society.
- *The ongoing necessity for SICAP to augment the work of other programmes*. Recent years have seen the introduction of smaller and more narrowly scoped programmes which now provide supports that would have previously been provided under SICAP, but the viability of many of these complementary programmes continues to hinge on the ability of SICAP to share some of the resource burden. Care therefore needs to be taken around the idea that such programmes, as they are presently constituted, alleviate budgetary pressures on SICAP.
- *The implications of inflation for SICAP budgets.* While we welcome the year-on-year increases to SICAP budgets (typically around 3 per cent per year), it should also be noted that the magnitude of those increases has not been enough even to offset the rising costs of programme delivery (inflation for 2022 alone was over 8 per cent). This means that, despite the additional funding provided to SICAP, the real value of programme budgets has been trending downwards, not upwards.

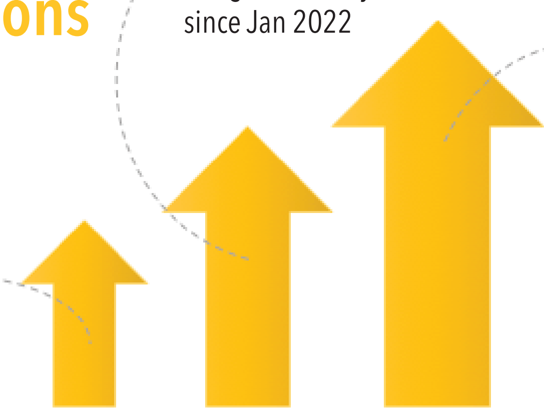
Resourcing SICAP Key Considerations

New Communities

More than 100,000 new refugees and asylum seekers since Jan 2022

Inflation

Inflation since 2019 running at almost 20%; significant erosion to the real value of programme budgets



New Programme, New Ambition

SICAP 2024-2028 to focus on tackling acute disadvantage, with more ambitious KPIs in many areas

The first and second point are addressed later in this submission. To address the third – which centres on the need to counter the impact of inflation on SICAP budgets – we recommend that:

An additional €2.2m be allocated to the annual SICAP budget to help cover the rising costs of programme delivery. This represents a five per cent increase on funding from last year. Although Government has invested consistently in SICAP over the past five years, those increases – and more – have been swallowed up by inflation, meaning that budgets for programme delivery have been becoming progressively smaller. Between 2019 and 2023, for example, SICAP budgets increased by 16.5 per cent;[5] inflation, during that same period, was 19.5 per cent,[6] with some of SICAP's most significant cost items increasing by an even greater amount. In addition, the ambitions of the 2024-2028 SICAP Programme – which centre on highly disadvantaged groups, where more intense supports are needed, and translate into increased KPIs in many areas – necessitate additional resourcing. KPMG, in its recent review of the 2018-2023 SICAP Programme, echoed "the need for increased budget to ensure sustained and positive impact" through SICAP.[7] The proposed 5 per cent increase would help to restore the delivery capacity that has been lost to inflation, and provide Programme Implementers with some scope to absorb higher ongoing costs of SICAP delivery.

Engaging with community stakeholders in Cherry Orchard, Dublin (Ballyfermot-Chapelizod Partnership)

Social Integration and New Communities

Among the high-level recommendations set out in a 2021 Pobal report on SICAP and its role in supporting new communities was additional investment in "capacity building to SICAP implementers".[8] This need predated the invasion of Ukraine, and the subsequent arrival in Ireland of almost 85,000 Ukrainian refugees.[9] The additional capacity that is now required is not only of a different order of magnitude, it is also different in its form, reflecting the shifting pressure points that have emerged over the past 18-24 months.

We recommend that the following provisions be made to support social integration among new communities:

€15m to support SICAP in integrating those arriving from Ukraine and elsewhere. Over the course of last year, Government provided €15m via the Local Development Companies (LDCs) and SICAP to support the community response to the sudden arrival in Ireland of almost 85,000 Ukrainian people (in addition to more than 13,600 International Protection Applicants, which was itself a fivefold increase on the previous year). We feel that it is important that Government acknowledges the importance of ongoing integration supports for this group. While the spike in new arrivals has now passed, a large majority of those people continue to reside in Ireland; although the nature of the supports provided to them might evolve, it is important that those supports remain available. In particular, we anticipate – and have already begun to see – a significant increase in demand for training, language, and employment services. The core SICAP budget is not sufficient to enable the delivery of these services on the scale that is required. Accordingly, we recommend that the €15m that was provided to LDCs last year be retained in 2024, with a view to supporting integration of Ukrainian people, and other new communities, in Ireland.

SICAP integration event with Ukrainian community (Leitrim Development Company)

€5m to extend the Free Travel Scheme to those living in IPAS Centres and to those that have held refugee status for one year or less. Data collected by the Office of the Ombudsman highlights that access to affordable transport is a significant problem for those in the IPAS system, limiting their ability to integrate, work, socialise, and become familiar with their host community, region, and country.[10] Given that IPAS centres are already contractually obliged to meet the reasonable transport needs of residents, the cost to the State of extending the Free Travel Scheme to this group would be relatively small,[11] yet it would be an effective way of enabling social participation, and alleviating reliance on the Direct Provision system. We also call on Government to ensure that, where arrangements need to be made to allow a resident of a Direct Provision centre to travel to engage with community services, such as those provided under SICAP, this is recognised across the board as a "reasonable" transport need.

€3.5m to facilitate the creation of a full-time IPAS Outreach Officer position within each Local Development Company.[12] The number of people living in IPAS centres has more than quadrupled over the past five years,[13] and people within this group typically face multiple barriers to social engagement.[14] The fact that over 5,000 people continue to live in Direct Provision centres even though status has already been granted to them[15] indicates a pressing need for stronger readiness supports for those in the IPAS system. We estimate that the inability of this cohort to progress out of Direct Provision results in a direct cost to the taxpayer of €8m per month, or €96.6m per year.[16] Considering the additional demands that it is placing on what is already a severely strained system, the real cost of this bottleneck – embodied by the ongoing proliferation of "emergency" IPAS centres nationwide[17] – is likely to be a multiple of this amount. Aside from the potential economic payoffs, funding the creation of the positions would advance Government efforts to make the current IPAS system more humane while it is still operational, and would tie seamlessly into the new IPAS model that the Government set out in its 2021 white paper.[18] In particular, it would be a valuable step towards improving children's experience of the current system – an imperative which was established by the Ombudsman for Children's 2020 report on Direct Provision.[19]

Childcare, Social Inclusion, and the Elimination of Child Poverty

Accessible and affordable childcare plays a pivotal role in reducing child poverty and promoting women's participation in the labour market.[20] Through the National Childcare Scheme (NCS) and the Early Childhood Care and Education Scheme (ECCE), Government has made significant progress in addressing long-standing barriers to childcare access in Ireland, and we are encouraged to see that early learning and childcare is to feature among six key themes in the forthcoming National Policy Framework for Children and Young People 2023-2028. The public consultations that will ultimately form the basis of this Framework serve to remind us, however, that improvements in Ireland's childcare system are beginning from an extremely low base,[21] something which is also borne out by Ireland's status as one of the one of the costliest wealthy nations in the world for childcare.[22]

We urge the Government to use this Budget to ensure that the momentum that has gathered behind childcare reform is maintained. The long-standing neglect of deprived communities by private-sector childcare providers[23] illustrates the need for childcare supports to focus on disadvantaged communities and households. These are also the demographic groups for whom cost constitutes the greatest barrier, as well as the groups that stand to benefit most – in terms of enhanced long-term developmental outcomes for the child – from access to childcare.

Along these lines, we recommend additional investment of:

€250m in access and affordability measures, with a particular focus on disadvantaged areas and households. There is a need to reconsider the merits of the two-tier subsidy provided under the NCP, which affords 20 hours of subsidised childcare per week to the children of non-working parents (versus 45 hours if the child's parents are working). Childcare policy must centre on the interests of the child, and must not be used as an instrument for labour activation. Children that are born into households in which one or both parents are out of work are at a higher risk of poverty; as such, there should be a focus on enhancing, not curtailing, access to childcare among this cohort. We also urge Government to accelerate development of Tackling Disadvantage: the Equal Participation Model[24] – its DEIS-type programme for the pre-school system – which is being designed to assist children from disadvantaged backgrounds to access childcare.

Mica- and Pyrite-affected Homeowners: Supporting the Most Vulnerable

Through the enhanced Defective Concrete Blocks (DCB) grant scheme, which opened in July, Government will provide financial assistance to the owners of mica- and pyrite-affected homes in counties Donegal, Mayo, Clare, and Limerick, to enable them to carry out necessary remedial works. We are pleased to see Government acknowledge the need for complementary supports to mitigate access barriers that more vulnerable individuals and households might face in respect of this Scheme, particularly through the funding of DCB Community Facilitator positions in the worst-affected counties. It is important, however, that the creation of these positions is seen by Government as the first step in an ongoing process to ensure that vulnerable households receive the supports that they need to access this Scheme, and – more urgently – to navigate the challenge of securing alternative accommodation while remedial works are being carried out on their homes.

As such, we recommend:

€600k in additional, targeted supports to help more vulnerable homeowners to navigate the enhanced Defective Concrete Blocks (DCB) grant scheme. The problem of Defective Concrete Blocks has exacted a deep emotional toll on families in the west of Ireland, some of whom have seen their physical, psychological, and financial wellbeing come under significant and ongoing strain. While the finalisation of a redress package provides some peace of mind, the upheaval that these families face remains considerable. Many will not only be forced to move out of their homes, but – because of the acute shortage in rental supply in towns and villages across Ireland – they will also be forced to move out of their local area, while remedial works are being carried out. Further assistance should target the elderly, those whose income levels constitute a barrier to the rented housing market, people with limited internet access or computer literacy, and other vulnerable groups. Although they are an important and welcome first step, the supports that have so-far been provided will not be sufficient to facilitate the kind of targeted, time-intensive outreach activities that these groups require. Already, DCB Community Facilitators are dealing with case volumes for which they do not have capacity; one DCB Community Facilitator in Co. Donegal, for example, now has a caseload of some 230 clients, a number of whom she has been forced to place on a waiting list. As uptake of the Scheme grows, we encourage Government to remain open to the possibility that Community Facilitator Teams – and not just Community Facilitator Roles – will be needed in some areas.[25]

2. Enhancing our Work Activation and Income Support Schemes

We believe that it is important that the current climate of so-called "full employment" does not result in a diminished value being placed on labour activation and income support schemes. There are several reasons why Government's ongoing commitment to these schemes in important.

First, "full employment" is a relative term; in reality, more than 105,000 people – or 3.4 per cent of the total labour force – are currently not in work.[26] Second, these schemes often serve broader purposes beyond labour activation and income support. The Rural Social Scheme (RSS), for example, serves the dual functions of income support and social inclusion. Given that those that remain on the live register are, in many cases, some distance away from the labour market, and given the rapid expansion in Ireland's new communities, we encourage Government to consider the potential merits of reframing Tús as a dual-purpose scheme – labour activation and social inclusion – also. Third, these schemes play a vital role in supporting a range of community services and initiatives, many of which have seen their capacity decrease through an ongoing shortage of staff and volunteers. There is also scope, as we discuss in the next section, for the skills base within these schemes to be strategically developed and deployed in key policy areas such as climate and biodiversity.

To make these schemes more effective, more sustainable, and fairer, we propose the following budgetary measures:

€3.2m to extend the Tús scheme from twelve to eighteen months.[27] The Tús scheme became operational at a time when 9.8 per cent of Ireland's population was in long-term unemployment; today, that figure is only 1.2 per cent.[28] Although the number of people in long-term unemployment is now drastically lower, the supports that they require to become work-ready are much greater, and there is a need for the design of Tús to evolve accordingly. Before they can engage meaningfully in work-readiness training, those that are referred to Tús often require basic health and wellbeing interventions and/or intensive wraparound supports aimed at building self-esteem and positive lifestyle routines. Government must recognise that the work-readiness journey facing today's Tús participants is generally longer and more complex than that faced by earlier participants; extending the programme by six months would enable Implementing Partners – who are generally central to the provision of complementary and wraparound supports – to provide a more bespoke and supportive service to help these participants to navigate this journey. This move would directly align to policy priorities set down in Pathways to Work 2021-2025[29] and the National Skills Strategy 2025.[30]

€9.7m to extend the Back to Work Enterprise Allowance to a three-year programme, with social welfare payments maintained at 50 per cent in the third year, and to increase the Enterprise Support Grant from €2,500 to €3,000. Recipients of the Back to Work Enterprise Allowance (BTWEA) can take up self-employment opportunities whilst retaining a portion of their social welfare payments for a period of two years. Although the numbers engaging with BTWEA have declined in recent years, engagement levels across the lifetime of the Scheme illustrate that, for many people in long-term unemployment, self-employment constitutes an attractive and realistic access point to the labour market.[31] As well as being an effective and economical labour activation scheme,[32] BTWEA helps to spur economic activity by promoting the creation of new enterprises, which benefit from ongoing support from Local Development Companies, Local Enterprise Offices, and others. Given the significant economic and social value that is generated by BTWEA, we recommend that the Government extends the Scheme from two years to three, where participants can retain 100 per cent of their social welfare payments in Year 1, 75 per cent in year 2 (as is currently the case), and 50 per cent in Year 3. We estimate that this change would cost the State €9.1m.[33] It is well known that, for some businesses, the journey to profitability is longer than for others. Affording businesses this additional "runway" can be a way of promoting effective planning and longer-term investments, which tend to translate into more robust, innovative, and growth-oriented businesses. Furthermore, in a climate of very low levels of unemployment, those that are engaging with the Scheme tend to be further away from the labour market than might typically be the case; for this profile of participant, the additional year of support could be extremely beneficial, and could help to reduce levels of attrition. The Enterprise Support Grant (ESG) is designed to support those in receipt of BTWEA or the Short-Term Enterprise Allowance with the costs of starting a business. Because inflation has eaten significantly into the real value of this grant, we recommend that the grant ceiling be raised from €2,500 to €3,000, at a cost to the State of €570,000.[34]

€41m to bring payments to CE, Tús, and RSS participants into line with the National Living Wage. We are pleased to see the Government acknowledge the considerable value that these programmes generate at a local level, where they are relied upon extensively for the delivery of a broad range of important services, spanning social care, the environment, and tourism, recreation, and culture. However, the decline in rates of participation across each of these Schemes represents a significant and ongoing drain on the capacity of grassroots community organisations. Currently, RSS is operating around 15 per cent below capacity nationwide, while some Implementing Partners report that only 50 to 60 per cent of Tús places are currently taken up within their area. This decline is attributable not only to the buoyant labour market, but also to the growing perception that the time and cost that is associated with participation in these schemes is not commensurate with the top-ups paid. We feel that there is a need for Government to signal to current and prospective participants that the economic and social value created by these Schemes is recognised. In the context of a drastic drop-off in government spending on Working Age Employment Supports – quarterly expenditure was 80 per cent, or €651m, lower in Q1 of 2023 than in Q1 of 2022, and 88 per cent, or €1.174bn, lower than in Q1 of 2021[35] – we recommend that Government increase funding to these programmes by €41m, or 8 per cent, to allow for top-ups to be benchmarked against the national living wage.[36]

€36m to cover travel costs incurred in and through a person's engagement with CE, Tús, and RSS. Participants in all three programmes receive a top-up on their core social welfare payments for supporting the delivery of important community-based services. While we acknowledge and welcome the €5 increase in top-up payments enacted in January 2023, current top-up levels – €27.50 per week – are still, in many cases, barely sufficient to cover the costs of participation. Participation is particularly costly in rural areas – and RSS is delivered exclusively in rural areas – thanks to the greater distances that people are required to travel, and the reliance on more expensive forms of transport (cars) as a means of travel. Low participation rates across all three programmes to a large extent reflect the reality that net returns to participation are minimal at best, and sometimes negative. We recommend that disbursement of this €36m be managed locally by the LDCs that act as Implementing Bodies for CE, Tús,[37] and RSS, and that it be used only for the purposes of covering travel costs incurred within the scope of programme participation, e.g., a person receives an allowance of €10 whenever they are = required to travel more than 10km to attend their placement. Where strong public transport infrastructure exists, these payments could be made available only to those that use it, thereby incentivising more sustainable travel routines. Several LDCs already operate similar discretionary funds to support engagement with Local Area Employment Services and other programmes.

€1.5m to increase the service fee paid to RSS Implementing Bodies from €1,000 to €1,500 for every person placed on the Scheme. The DSP has committed to meeting the general administrative costs incurred by the Implementing Bodies via the payment of a service fee which amounts to €1,000 for every person placed on the Scheme. However, because the service fee has remained unchanged for fourteen years, and in view of ongoing inflation patterns, funding provisions[38] are no longer in step with the real costs of programme delivery. To ensure that Implementing Bodies are adequately resourced for the effective delivery of RSS, we call on the DSP to increase the service fee from €1,000 to €1,500 for every person placed on the Scheme.

Tús worker in Leitrim (Leitrim Development Company)

3. Advancing our Climate and Environmental Goals

Local and community development activities need to berecognised by Government as an essential vehicle for the delivery of its climate and environment policy. Reflecting the view – articulated succinctly in a recent paper by the sustainability think tank, Tasc – that "people care more about local development than climate action,"[39] we encourage the Government to explore potential synergies between climate and environmental initiatives and existing programmes for local and community development.

Conservation and biodiversity in Southeast Limerick (Ballyhoura Development)

One way of doing so would be through the "greening" of CE, Tús, and RSS, within which capacity could be created to support – among other things – the National Retrofit Plan, progress on which has so far been constrained by labour shortages. Scope also exists to work through the local development sector to engage with the farming and fishing communities, both of which are rightly recognised by Government as key custodians of the natural environment. LEADER, a pan-European project to support the development of rural communities, and one which includes the rural environment as one of its three pillar themes, could also be more strategically leveraged to further Ireland's environmental goals. Doing so would constitute an important step towards the implementation of the recommendations set out in the final report of this year's Citizens Assembly on Biodiversity Loss, which stressed the need for biodiversity preservation and restoration to be approached in a participative and synergetic way.[40] This equates, in practice, to a tighter coupling of the climate and environmental agenda with grassroots development.

This could be achieved through the allocation of:

€3.5m to support the recruitment of a full-time Climate and Environmental Officer within each Local Development Company.[41] Channelling these resources through entities such as the LDCs, which carry a cross-sectoral remit and administer community-development programmes across numerous thematic areas, maximises the scope to capitalise on existing grassroots capacity. There are currently around 27,000 people engaged with CE, Tús, and RSS,[42] with commitments for this number to grow set down in Pathways to Work 2021-2025 and Our Rural Future 2021-2025. There is an opportunity – through the creation of these roles – for the work that is carried out in and through these programmes to be oriented more directly towards the furthering of our climate and environmental objectives. LDCs are also embedded firmly in their local communities, which creates a platform for role-holders to engage in the kind of area-based outreach that lies at the heart of the Community Climate Action Plan and our broader climate and environmental policy. We believe that the role of Rural Recreation Officer, which is also housed within the LDCs, provides a useful template for the Climate and Environmental Officer role that we propose here.

€10m to support the development and delivery of climate- and environment-focused co-operation projects undertaken by LEADER Local Action Groups. The LEADER programme supports community-led rural development across the EU. LEADER funding, which in Ireland will amount to €36m per year over the next five years, is channelled through Local Action Groups to a range of community initiatives, encompassed by the three pillar themes of Economic Development and Job Creation, Rural Infrastructure and Social Inclusion, and Sustainable Development of the Rural Environment and Climate Change Mitigation. Given the vital importance of community-led local development in advancing Ireland's climate and environmental agenda, we encourage Government to leverage the delivery infrastructure that has been built around the LEADER programme since its inception in 1991. A valuable way of doing this would be through the creation of a fund designed to support co-operation between LAGs in Ireland and other jurisdictions. Such "co-operation projects" are already an established part of the LEADER model, in which they are seen as an important mechanism for achieving scale and for the diffusion of innovation and best-practice. In previous programme periods, funding of €10m (rising to €13m during the "transitional" programme of 2020-2022) for co-operation projects was ringfenced in an effort to promote collaboration. The removal of this ringfence, coupled with a sharp drop in the real value of LEADER budgets,[43] will inevitably lead to a reduction in the number and scope of co-operation projects, which would be antithetical to the aims and principles of our Rural Development Policy, and ultimately harmful to our climate and environmental agenda.

4. Strengthening our Community & Voluntary Sector

2022 saw the publication of Values and Principles for Collaboration and Partnership, a framework intended to promote effective and harmonious co-operation between the Government and the C&V Sector. This document emerged from the Government's five-year strategy for supporting the C&V sector, which acknowledges the important role played by not-for-profit organisations in the delivery of vital public services in Ireland. It is increasingly clear, in the face of rising demands on C&V services, that the commitments and objectives set down by Government in respect of the C&V Sector must now be backed by additional investment in the Sector's capacity.

Research into the present state of the C&V sector in Ireland highlights that, at a time when pressure on not-for-profit organisations to do more is building – particularly in areas like health, disability, and social care; homelessness; social integration; and the environment – they are being forced by tightening resource constraints to do less.[44] The single most salient capacity challenge currently facing the sector is personnel: not only do C&V organisations lack the resources needed to recruit new staff to enhance their delivery capacity, but they are also struggling to retain staff to maintain delivery capacity at current levels.[45]

It is important to recognise that C&V organisations are contracted by numerous Government departments, as well as various agents and intermediaries such as the HSE, Tusla, and Pobal, to manage and deliver services on their behalf. Promoting fairness and equity in relationships between Government and the C&V Sector must therefore be seen as a whole-of-government initiative, where basic standards are agreed upon by all Departments. We encourage the Government to recognise these standards as a cornerstone of this submission and, in particular, of the recommendations in the next section.

These standards should include:

A move towards multi-annual funding arrangements, replacing the annual arrangements that are currently the norm. The uncertainty that accompanies such short funding cycles means that programme staff are afforded very limited job security, which is fuelling the recruitment and retention difficulties currently being experienced by C&V organisations. Such difficulties will ultimately be manifested in lower quality programme outcomes, and are likely to be costly to the Department or Contracting Authority in the long run.

An overhead and administration budget equal to at least 25 per cent of programme costs attached to all service contracts that are awarded by government departments or statutory agencies to C&V organisations. All government departments must recognise that the delivery of programmes and services engenders costs which facilitate, but are not necessarily incurred through, core programme activities. These costs include standard overheads like rent and electricity, as well as the salaries of staff that contribute their time to a project, but who are not employed for the specific or exclusive purpose of doing so. This problem is widespread within the large majority of not-for-profit organisations that do not receive core Government funding to cover the salaries of key staff. A 25 per cent overhead and administration budget is currently attached to flagship Government and EU programmes such as SICAP and LEADER, and we see this as a reasonable benchmark for other, smaller programmes.

Provisions for staff pay increments in all multi-annual service contracts, and for pension contributions in all service contracts. A recent study into trends and challenges in the C&V Sector carried out by Tasc and The Wheel cites an illustrative case of a staff member that joined a Section 39 organisation in 2009 on a salary of €33,621. Across a 14-year period – a period during which inflation totalled more than 17 per cent – that staff member's salary increased by just 2 per cent. Had s/he been employed in an equivalent role by the HSE, standard increments would have seen his/her salary rise by 12.5 per cent.[46] Such large disparities in pay and conditions between the C&V sector on the one hand and the public and private sectors on the other have now become widespread. Remediating these disparities is necessary to support the recruitment and retention of skilled staff, and is therefore essential to the preservation and enhancement of delivery capacity within the C&V sector.[47]

5. Supporting and promoting the Social Economy

The role of the C&V and social enterprise sectors is often framed as a derivative of the failure by Government or the private sector (or both) to service the needs of particular social groups or society at large. While this is broadly true, it is important that these sectors are equipped to be proactive, and not merely to respond to such failures after they have begun to manifest as crises.

Ongoing efforts by Government to build the profile of social enterprises are important and welcome, and they are grounded in a clear recognition of the significant value that these organisations create at every level of society. However, the desire to see that value grow must be underpinned by an acknowledgement on the part of Government that the pursuit of social goals entails costs that are not borne by organisations whose purpose is profit alone. We encourage Government to consider policy measures that that are designed to shift the cost-reward equilibrium of being "social".

These measures could include:

A move to alleviate the VAT burden on social enterprises. Changes to the EU VAT Directive provide for a reduced rate of VAT to be applied on the "Supply of goods and services by organisations engaged in welfare or social[48] security work as defined by Member States and recognised as being devoted to social wellbeing by Member States." There is an opportunity for Government to leverage this provision to encourage consumers to buy from social enterprises wherever possible and – because of the prominence of circular economy principles in the business model[49] of many social enterprises – to promote, at a broader level, more environmentally sustainable consumption patterns. At present, not-for-profit social enterprises become VAT-able when their trading income exceeds standard VAT thresholds, which effectively serves to penalise them for successfully scaling their social impact. We see this as an anomaly, and as contrary to the spirit of the National Social Enterprise Policy 2019-2022 and to complementary initiatives like the Awareness Raising Project for Social Enterprises (ARISE). To address this problem, we call on the Government (i) to institute a VAT rate of 5 per cent to all activities where the above provision applies, and (ii) to issue clear guidance on the scope of eligible activities..

A clear strategy for the mainstreaming of Socially Responsible Public Procurement. Ireland lags behind its European peers in Socially Responsible Public Procurement (SRPP), which is a policy instrument designed to achieve positive social outcomes through government contracts. State procurement amounts to around €18.5bn per year[50] and spans a broad range of sectors and activities, including cleaning, construction, gardening, food and catering, and textiles. Government departments have been encouraged, within the scope of the procurement reform framework, to incorporate social considerations into their procurement.[51] We would like to see the mainstreaming of SRPP accelerated, and – building on what we have learned from other EU countries[52] – a concerted effort on the part of Government to ensure that SRPP is embedded in procurement practice across every level of government.

€3.5m to support the creation of a full-time Governance Specialist position within each Local Development Company,[53] which we see as a priority measure, but as one which could in future tie in to the rollout of broader Social Enterprise Support Hubs. In its 5-year strategy to support the community and voluntary sector in Ireland, the Government made a firm commitment to strengthen "governance and operational capacity in groups and organisations … through a public-funded programmatic approach to locally delivered training in governance, management, strategy development and fund-raising, human resource management, and communications, marketing and social media."[54] Similar commitments were set down in the National Social Enterprise Policy 2019-2022. The regulatory landscape for not-for-profit governance has evolved significantly in recent years, but governance supports for C&V organisations – particularly those that operate on a small scale – remain severely limited. To address deficits in governance capacity across the grassroots C&V sector, we recommend that a Governance Specialist role be created within each of the LDCs, all of which have a strong presence in the C&V Sector at a local level.

A strategy for the development of a more comprehensive, accessible, and integrated set of social enterprise supports. The recent Baseline Data Collection Exercise estimates that more than 79,000 people are employed by social enterprises in Ireland and that, collectively, these social enterprises contribute €2.34bn each year to the Irish economy.[55] But although the sector as a whole is large and growing, the overwhelming majority of enterprises within it are small. The geographic dispersal of social enterprises is also substantial, with most focusing exclusively on their own community or local area. The implications of this sectoral make-up for the effective delivery of supports are important, and should be considered carefully within the successor policy to the National Social Enterprise Policy 2019-2022, which Government will publish later this year. We encourage Government to explore the use of an area-based model, analogous to that of the Local Enterprise Offices (LEOs), to support the social enterprise sector. LEOs provide important advisory and financial supports to small businesses across the country and are now recognised as an integral part of the support infrastructure for small enterprise in Ireland. At present, Local Development Companies perform a comparable function within the social enterprise sector, but – while their strong grassroots presence and the fact that they are themselves social enterprises means that they are well-positioned to do so – they are not currently resourced to provide these services on the necessary scale. We call on Government to explore, in and through the forthcoming Social Enterprise Policy, how the capabilities of Local Development Companies might be better leveraged to engage with, and support, grassroots social enterprises. Consideration should be given, for example, to the housing of "Social Enterprise Support Hubs" – analogous to LEOs – within LDCs, a measure which could be trialled on a pilot basis.

€1m to facilitate access to EU matched funding programmes. EU funding rules generally stipulate that applicant organisations must be capable of securing matched funding, but that funding from one EU programme cannot be used as matched funding when funding from another EU programme is being sought. This poses a significant obstacle for Irish C&V organisations that rely heavily on EU funding, but which do not have access to significant streams of trading income. A modest and highly targeted investment, aimed at addressing this gap, would unlock access to substantial EU funding, and would generate significant and lasting returns across key policy areas. Furthermore, because of the rigorous evaluation and monitoringstructures that are already in place for EU-funded projects, high levels of transparency and accountability would be achievable with minimal additional administrative burden.

6. Unlocking the potential of the Irish Local Development Network

Member companies of the ILDN have been in existence for three decades, with total staff numbers of 2,500 and a vast and deep expertise and experience, across a wide range of activity, from social inclusion, to community development, enterprise, climate action, rural development, and more.

These companies have proven a valuable partner for government in the design, development and implementation of plans and programmes to tackle deep-seated challenges within our communities. By acting as a network under ILDN, the local development companies give government the following:

- Easy access to 2,500 staff, on the ground, in communities all over the country
- A means to tap into the expertise of these staff and local Boards
- A vehicle to drive forward a range of government policies in the areas of integration, health, environment, employment, inclusion, rural development, community development, bio-economy, and much more
- Engagement in no less that 35 national steering groups and fora, each devised to support the progression of a range of government commitments through a number of government departments.

ILDN funding is extremely limited, with just two government departments currently contributing to the costs of the Network. We recommend an increased annual budget of €425,000[56] to be funded by the departments with whom ILDN partner and collaborate to advance government priorities.

.

1. Sweeney, R. (2023). The state we are in: Inequality in Ireland 2023.
2. Whelan, A., Delaney, J., McGuinness, S., & Smyth, E. (2020). Evaluation of SICAP Pre-employment Supports.
3. Pobal (2022). A Comparison of Women and Men Supported by SICAP: Learning Brief by Pobal.
4. Pobal (2021). The Role of SICAP in Supporting New Communities.
5. Minister of State at the Department of Rural and Community Development (2021). Response to Parliamentary Question #656: Dáil Eireann Debate on Departmental Programmes, 22 June 2021. See also: Department of Rural and Community Development (2022). Minister Joe O'Brien announces over €44 million for the government's Social Inclusion Programme.
6. Inflation figures derived from CSO's CPI Inflation Calculator, based on the period January 2019 to June 2023.
7. KPMG (2023). Review of SICAP 2018-2023: Executive Summary. See Recommendation 2.10.2, pp. 7.
8. Pobal (2021). The Role of SICAP in Supporting New Communities, pp. 4.
9. CSO (2023). Arrivals from Ukraine in Ireland Series 10.
10. Office of the Ombudsman (2022). The Ombudsman & Direct Provision: An Update for 2021.
11. Information previously supplied by the government indicates that the cost of the Free Travel Scheme is approximately €100 per beneficiary. Because of other supports already available to them, we believe we are being conservative in estimating that the cost for each asylum seeker and refugee – of which there currently around 100,000 in Ireland – will be around half of that figure. See: Minister for Social Protection (2020). Response to Parliamentary Question #193: Dáil Eireann Debate on Free Travel Scheme, 9 September 2020.
12. Total cost of €3.5m is based on the creation of 49 posts (one per LDC), each involving an annual salary cost of €52,557 (Grade Six on Local Government Pay Scale), Employer's PRSI of €5,854 (11.1 per cent), Employer's Pension Contribution of €5,258 (10 per cent), and an overhead allowance for office and ancillary costs of €6,500.
13. Department of Children, Equality, Disability, Integration, and Youth (2023). IPAS Weekly Accommodation and Arrivals Statistics.
14. Department of Justice and Equality (2019). Report of the Inter-Departmental Group on Direct Provision.
15. Minister for Children, Equality, Disability, Integration and Youth (2023). Response to Parliamentary Question #131: Dáil Eireann Debate on International Protection, 28 June 2023.
16. The annual cost of Direct Provision is €18,568 per resident; therefore, the monthly cost per resident is €1,547. Based on this, the total cost for the 5,200 residents that have already been granted status (Refugee/Subsidiary Protection/Leave to Remain) is €8.05m per month or €96.55m per year. See: ibid.
17. Wesonga, V. & Coyne, E. (2023). Direct provision centres triple in five years, despite pledge to end system.
18. Department of Children, Equality, Disability, Integration and Youth (2021). A White Paper to End Direct Provision and to Establish a New International Protection Support Service.
19. Ombudsman for Children (2020). Children's views and experiences of living in Direct Provision: A report by the Ombudsman for Children's Office 2020.
20. Dervey, S. (2022). Access to Affordable Childcare is Key to Reducing EU Inequalities.
21. Department of Children, Equality, Disability, Integration and Youth (2023). Policy Framework for Children and Young People 2023-2028: Report on the Responses to the Public Consultation.
22. OECD (2023). Net Childcare Costs (indicator). Accessed 25th July 2023.
23. In the most recent published Annual Early Years Sector Profile Report, it was found that only one private-sector childcare provider was operating in an area designated as either "extremely disadvantaged" or "marginally" disadvantaged, even though private providers accounted for around three-quarters of childcare services nationwide. See: Pobal (2022). Annual Early Years Sector Profile: 2020/2021.
24. Minister for Children, Equality, Disability, Integration and Youth (2022). Response to Parliamentary Question #288: Dáil Eireann Debate on Disadvantaged Status, 26 May 2022.
25. Expert Panel on Concrete Blocks (2017). Report of the Expert Panel on Concrete Blocks.
26. CSO (2023). Monthly Unemployment June 2023.
27. Currently, around 4,400 people are actively participating in Tús. Top-ups are paid at €27.50 per week, amounting to €6.29m per year for all participants. Extending the Scheme by six months would increase this to €9.44m, an increase of €3.15m. This figure assumes no change to Tús top-ups or the provision of a travel allowance, as subsequently recommended. See: Minister of State at the Department of Social Protection (2023). Response to Parliamentary Question #81: Dáil Eireann Debate on Community Employment Schemes, 23 May 2023.
28. CSO (2023). Labour Force Survey Quarter 1 2023.
29. Specifically, it would align to the priority of "Continu[ing] to strengthen our policy response and outreach services for disadvantaged groups distant from the labour market." See Government of Ireland (2021). Pathways to Work 2021-2025.
30. For example, the commitment to use the "the social welfare system [to] support the transition of unemployed to jobs, particularly the long-term unemployed." See: Department of Education and Skills (2016). National Skills Strategy 2025.
31. Department of Social Protection (2023). Statistical Information on Social Welfare Services: Annual Report 2022.
32. Department of Social Protection (2017). A Review of the Back to Work Enterprise Allowance.
33. Each recipient of BTWEA cost the state, on average, €14,000 in 2022. Adding a third year, in which social welfare payments are maintained at 50 per cent, would decrease the average cost of each recipient, but would increase the total number of participants on the Scheme at any one time. Our calculations assume that all Scheme participants would be granted, and would take up, the option of a third year. This translates into a 50 per cent increase (from the 2022 benchmark of 2,278) in the number of people engaged in the Scheme at any one time, which would cost the State €9.125m.
34. Assuming all recipients of the BTWEA use the full grant amount. Adding a third year to BTWEA would not have direct cost implications for the ESG, as the full amount can only be drawn down once over the full term of a person's engagement with the Scheme.
35. Department of Social Protection (2023). Statistical Information on Social Welfare Services: Annual Report 2022.
36. Participants currently receive a weekly minimum payment of €247.50. This is around €22.50 below what they could expect to receive if they performed 19.5 hours work, as is required of them under the terms of the Schemes, at €13.85 per hour, which is broadly viewed as an appropriate level for the national living wage. Recent Government estimates indicate that a €1 increase in top-up payments would translate into a €1.8m cost to the State. An increase of €22.50 would therefore result in an additional cost to the State of around €40.5m, or just over 8 per cent of the €500m in annual funding that is allocated to the programmes. For data, see: Department of Social Protection (2022). Minister Humphreys and Minister O'Brien announce major reforms to CE, Tús and Rural Social Scheme; LivingWage.ie (2023). Living Wage Update 2022/23: €13.85 per hour; Minister for Social Protection (2023). Response to Parliamentary Question #375: Dáil Eireann Debate on Social Welfare Payments, 18 May 2023.
37. Although the primary function of CE and Tús is labour activation, rather than social inclusion, historically low levels of unemployment mean that it is typically those that are now engaging with these programmes tend to be those that are most distant from the labour market, and therefore most at risk of social inclusion.
38. Extrapolating from figures previously provided by Government, we estimate that €36m would cover the cost of each participant receiving two €10 travel payments per week. See: ibid.
39. McCabe, S. (2020). The People's Transition: Community-led Development for Climate Justice.
40. The Citizens' Assembly (2023). Report of the Citizens' Assembly on Biodiversity Loss.
41. Total cost of €3.5m is based on the creation of 49 posts (one per LDC), each involving an annual salary cost of €52,557 (Grade Six on Local Government Pay Scale), Employer's PRSI of €5,854 (11.1 per cent), Employer's Pension Contribution of €5,258 (10 per cent), and an overhead allowance for office and ancillary costs of €6,500.

42. Department of Social Protection (2022). Minister Humphreys and Minister O'Brien announce major reforms to CE, Tús and Rural Social Scheme
43. Ministerial assurances that current LEADER budgets are in line with those of previous programme periods should be qualified on the following grounds. First, while the absolute value of the LEADER budget has not changed substantially between the 2014-2020 and 2021-2027 periods, inflation has eroded the real value of that budget by over 13 per cent, or €4.7m per year. Second, the two most recent programme periods were run over five years rather than the intended seven (the 2007-2013 programme was run from 2009-2013, and the 2014-2020 programme was run from 2016-2020). Because the programme was run over a shorter period, the money available each year was substantially greater – not counting the effects of inflation, the current annual allocation is almost 39 per cent below pre-2020 levels.
44. Just Economics (2019). Breaking point: Why investment is needed now to ensure the sustainability of quality services for children and families.
45. The Wheel & Tasc (2023). The Future of Public Service Delivery by the Community & Voluntary Sector: Working on the Cheap - Assessing the Need for Pay Restoration to Ensure Sustainable Services.
46. Ibid, pp. 24.
47. See, for example, KPMG (2023). Review of SICAP 2018-2023: Executive Summary, Recommendation 2.10.3.
48. Department of Finance (2022). Value Added Tax: Tax Strategy Group – 22/07, pp.32.
49. RReuse (2017). Reduced taxation to support re-use and repair.
50. Government of Ireland (2022). Public Procurement: Annual Report 2021.
51. Office of Government Procurement (2018). Information Note: Incorporating Social Considerations into Public Procurement.
52. The Landmark Project (2012). Good Practice in Socially Responsible Public Procurement: Approaches to Verification Across Europe. See also: European Commission (2020). Making socially responsible public procurement work : 71 good practice cases.
53. Total cost of €3.5m is based on the creation of 49 posts (one per LDC), each involving an annual salary cost of €52,557 (Grade Six on Local Government Pay Scale), Employer's PRSI of €5,854 (11.1 per cent), Employer's Pension Contribution of €5,258 (10 per cent), and an overhead allowance for office and ancillary costs of €6,500.
54. Department of Rural and Community Development (2019). Sustainable, Inclusive and Empowered Communities: A five-year strategy to support the community and voluntary sector in Ireland 2019-2024, pp. 21.
55. Department of Rural and Community Development (2023). Social Enterprises in Ireland: A Baseline Data Collection Exercise.
56. €85,000 each from DoH, DCEDIY, Dept Agriculture, DECC, DRCD (Rural Programmes), in line with that from those departments currently contributing

About the Irish Local Development Network

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, and supporting 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, the HSE Sláintecare Healthy Communities Programme, 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 provides 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.

ILDN 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

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

North East West Kerry Development Programme

Dublin South City Partnership

Empower

Fingal LEADER Partnership

FORUM Connemara

Galway City Partnership

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