Local Development Companies Network
Collective Vision, Fairer Society.

Building Local Resilience in Uncertain Times

Delivering on the Programme for Government in Budget 2026

A Pre-Budget Submission by Local Development Companies Network

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Chairperson's Foreword

The Programme for Government, published in January of this year, paved the way for the formation of a new government, and provided a policy and budgetary framework for growing our economy, strengthening our communities, and meeting the many challenges presented by the climate crisis.

It is now clear, however, that this Programme for Government will be implemented within a geopolitical environment that is much more turbulent and unpredictable than that which prevailed when the document was drawn up.

Our ask of Government as it faces into this new political and economic landscape is that it does not lose sight of the commitments set down in the Programme for Government, or of the reasons those commitments were made. Much of the Programme for Government speaks to the need for resilience – in our economy, in our communities, and in our ecological systems – and the geopolitical developments of recent months have only served to reinforce this need.

The Programme for Governmnent committed to delivering for our communities, and Budget 2026 must now follow through - not *despite* the political and economic turmoil that we're experiencing, but *because* of it.

Local Development Companies Network encourages Government not to shy away from the commitments that it set down in the Programme for Government, but to follow through with the urgency and purpose that the current social, economic, and environmental challenges demand. In particular, we call on Government to follow through on measures designed to foster resilience at a local and community level, which – given the rising economic and environmental price of globalisation – must be a guiding aim of the forthcoming budget.

In this context, Local Development Companies stand ready to play a central role in delivering on the Government's ambitions – mobilising local knowledge, trust, and networks to implement practical, community-led solutions that build resilience from the ground up. Framed by the need to Build Resilience in Uncertain Times, Budget 2026 represents a critical opportunity to align resources with the vision set out in the Programme for Government and to invest meaningfully in the strength and sustainability of Ireland's communities.

Thomas Fitzpatrick

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Chairperson
Local Development Companies Network

Overview of Recommendations

Tackling Poverty & Social Exclusion

Strengthen supports for groups in which rates of poverty and social exclusion are climbing and/or highest.

- Deliver on the Programme for Government commitment to progressively increase funding for SICAP by enacting a twelve per cent (€5.9m) increase.
- Commit to the provision of New Arrivals funding on a multi-annual basis.

Rural Development

Support bottom-up, community-led local development in rural areas.

- Engage urgently at European level to secure the place of LEADER within the next EU Multiannual Financial Framework.
- Roll out a new programme, to the value of €15m and modelled on the LEADER Food Initiative, to support small and artisenal food producers.

Climate & Enviroment

Foster greater integration between climate action and local development at a community level.

- Invest €900k to support the wider piloting of the Community Climate Coaches initiative.

Strengthening the C&V Sector and Social Economy

Act to address growing staffing and funding constraints among social enterprises and other C&V organisations.

- Increase top-up payments for CE, Tús and RSS participants by €7.50 per year across three years.
- Allow for greater flexibility around access to the Tús scheme by:
  - allowing anyone that is under 20 years old and unemployed to participate,
  - reducing the qualifying period for those aged 20-25 to six months,
  - reducing the mandatory minimum period of time between placements to two years.
- Increase funding for the Community Services Programme by ten per cent, or €5.5m.
- Roll out a €3msocial enterprise grants programme in conjunction with SICAP.
- Establish a new €1m fund to unlock access to EU funding through the provision of national matched funding.

Tackling Poverty and Social Exclusion

The Programme for Government commits to **"Progressively increasing funding for the Social Inclusion & Community Activation Programme (SICAP) which is critical to addressing social exclusion and disadvantage and encouraging involvement in communities."**

As the State's flagship social inclusion and anti-poverty programme, SICAP's purpose is to empower everyone – particularly those most at risk of marginalisation and exclusion – to participate fully in social, economic, and cultural life, breaking down barriers to equality and fostering stronger, fairer, and more equitable communities.

SICAP Target Groups

- People living in disadvantaged communities
- People impacted by educational disadvantage
- People living in jobless households or households where the primary income source is low-paid and/or precarious
- People who are long-term unemployed
- People with a criminal history
- Refugees
- International Protection Applicants
- Disabled People/People with Disabilities
- Heads of One-parent Families
- Travellers
- Roma
- Island residents

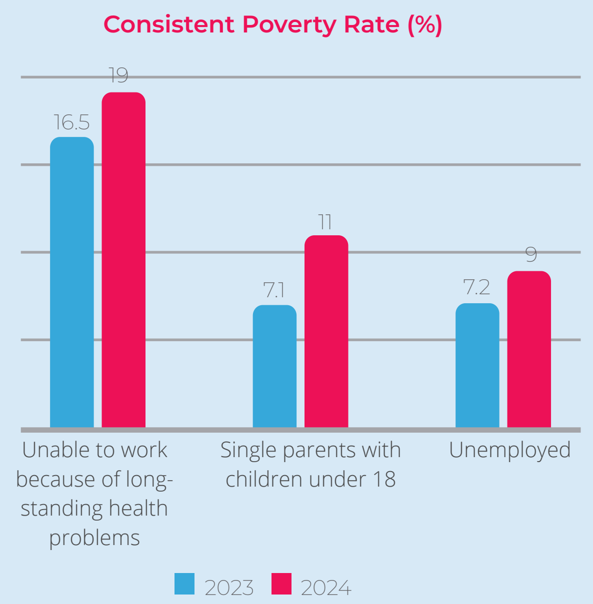
Through its work across these twelve target groups, SICAP is pivotal to the advancement of a range of other Programme for Government commitments, which span multiple Government departments. A selection of these commitments is set out on the following page.

Mapping SICAP's role in delivering on the Programme for Government

Area of Work and Relevant Departments	Associated Programme for Government Commitments
Learning and education Dept of Education Dept of Enterprise, Trade & Employment	Review the financial supports available to adult learners and promote access to education and lifelong learning.
Services for People with Disabilities Dept of Children, Equality, Disability Integration & Youth Dept of Social Protection Dept of Education	Ensure citizens with disabilities can access employment on an equal basis to others by focussing on building skills, capacity and independence, and develop bridges from special schools into employment. Support students with disabilities to have a clear path into employment, avoiding any barriers to entering the workforce.
Employment supports for people with criminal histories Dept of Justice	Implement an employment strategy for former offenders and support increased access to education and training workshops through the Prison Education Taskforce.
Youth supports and local development Dept of Environment, Climate & Communications Dept of Rural & Community Development	Support the work of young people to help their communities and promote the Sustainable Development Goals.
Labour activation Dept of Social Protection	Publish a new Employment Strategy focused on intensive engagement and supports to help those most distant from the labour market into the workforce.
Tackling drug use Dept of Health Dept of Justice	Increase funding for drug addiction services including local drug and alcohol taskforces to improve their effectiveness. Commit to a health-led approach to drug addiction and divert those found in possession of drugs for personal use to health services.
Crime prevention Dept of Justice Dept of Rural & Community Development	Invest in the rollout of the Local Community Safety Partnerships and social and economic regeneration programmes to support communities experiencing high levels of crime, unemployment and social exclusion.
Support for lone parents Dept of Social Protection	Enhance supports for lone parents.
Social Entrepreneurship Dept of Rural & Community Development	Continue to support the vital role of social entrepreneurship, recognising its value in the local economy and society.
Health and Wellbeing Dept of Health	Continue to support the voluntary and community sector working in mental health. Support local groups like Men's Sheds, Women's Sheds and Active Retirement communities. Proactively support and expand mental health initiatives targeting men, and the implementation of strategies aimed at reducing suicide and self-harm among men. Prioritise culturally appropriate mental health supports for Traveller and other minority communities. Invest in social programmes and befriending services to address isolation.
Migrant integration and combatting disinformation Dept Children, Equality, Disability Integration & Youth Dept of Justice Dept of Rural & Community Development	Launch national and local community campaigns to highlight the positive impacts of migration and to challenge disinformation. Invest in integration programmes that support language learning, as well as broader social, cultural and sporting exchange, and access to essential public services such as education and healthcare, facilitating smoother transitions for migrants. Continue to invest in English language classes for people seeking international protection. Develop community-led initiatives to foster connections between migrants and local populations, particularly in areas receiving a high number of new arrivals, to build strong community ties.
Supports and services for the Traveller & Roma Communities Dept Children, Equality, Disability Integration & Youth Dept of Education Dept of Health	Implement the Traveller and Roma Inclusion Strategy. Implement the Traveller and Roma Education Strategy. Implement the National Traveller Health Action Plan. Take steps to advance financial literacy and financial services inclusion for Irish Traveller and Roma communities.

Looking beyond the commitments set down within the Programme for Government, the need for a meaningful increase in SICAP funding is reflected across a wide body of economic data, which shows that disadvantaged and marginalised groups are falling further and further behind.

For example, SILC data reveals that, while disposable incomes rose in 2024, so did the number of people at risk of poverty. Enforced deprivation among those classified as “at risk of poverty” also saw a substantial increase. These trends suggest that, although our economy is working well for many households, the number of households experiencing real financial strain is increasing, as is the severity of the strain that they are feeling. Rates of consistent poverty have increased across many of the SICAP target groups, which are traditionally among the most disadvantaged in society, e.g., single-parent households, people with low education attainment, and unemployed people. Meanwhile, recent ESRI publications show that poverty and social exclusion remain highly prevalent among migrants, people with disabilities, and members of the Roma and Traveller communities.[1]



Trends in Consistent poverty rates among a selection of SICAP target groups, 2023 vs 2024.

Recommendation:

Reflecting the pivotal role that SICAP will play across multiple strands of the Programme for Government, and in view of the signs of growing inequality that have emerged from recent economic data, we recommend that SICAP funding be increased by twelve per cent, or €5.9m.

1 ESRI (2025). Monitoring Report in Integration 2024; ESRI & IHREC (2025). Adjusting Estimates of Poverty for the Cost of Disability; ESRI (2024). Understanding Attitudes to Travellers and Roma in Ireland.

With respect to Government’s specific commitments on migrant integration, it is vital that the €10m in non-core SICAP funding (“New Arrivals”) that was provided in Budgets 2024 and 2025 to support grassroots integration measures and the wider community response be retained in Budget 2026 and beyond. Given the long-term nature of these commitments, and the fact that – due to both our international obligations and the demands of our domestic labour market – immigration will continue at high levels over the coming years, we call on Government to commit this funding on a multi-annual or core basis, beginning in 2026.

Recommendation:

Continue to provide New Arrivals funding at current levels (€10m per annum), but allocate this funding on a core/multi-annual basis going forward.

Rural Development

The Programme for Government commits to **"Engaging at EU level to increase funding for the next LEADER programme, examine how we can reduce bureaucracy, simplify the application process and continue to provide sufficient core funding from the State."**

LEADER has been instrumental in fostering sustainable rural development across Ireland since its inception in 1991, and LDCN welcomes the Government's commitment to deliver a stronger and more streamlined LEADER in the post-2027 period.

We anticipate, however, that the next EU Multiannual Financial Framework (MFF) will bring with it a significant restructuring of EU funds, and the place of LEADER within that new funding landscape remains uncertain. Deliberations on the next MFF are already well underway, and the window of opportunity for the Irish Government to advocate for LEADER at European level is quickly closing.

We therefore urge the Government to act with urgency on its commitment to work with European partners to secure the place of LEADER within the next MFF. We make the following specific recommendations:

- Increased funding for the LEADER programme, reflecting its proven impact and the increasing budgetary pressures that LEADER has experienced as the scope and population coverage of the programme has expanded.
- If LEADER is to remain housed within the Common Agricultural Policy and funded by the European Agricultural Fund for Rural Development (EAFRD), that the minimum portion of EAFRD funding that must be allocated to LEADER be increased from five per cent to ten per cent, with a commitment by member states to at least match the EAFRD allocation through national co-funding.
- Simplify access to LEADER funding for community groups and other beneficiaries, in accordance with the EU's broader simplification agenda.

Why Rural Ireland needs a strong LEADER Programme:

- LEADER plays a vital role in developing dynamic and resilient local economies, which is an increasingly important policy aim in an era of geopolitical turmoil and de-globalisation.
- By creating economic and cultural opportunities, LEADER makes rural areas more attractive places to live and work, promoting demographic renewal and facilitating the "right to stay".
- The bottom-up approach that is characteristic of the LEADER methodology helps to build social capital within rural communities, which has numerous secondary benefits such as fostering social cohesions and alleviating loneliness and social exclusion.
- LEADER brings the EU closer to its citizens and vice-versa. It serves to demonstrate to citizens how the EU contributes to the betterment of their local area, and how local actions align to the values and aspirations of the EU.
- Because of its holistic approach to rural development, the impact of LEADER cuts across a wide array of policy areas, including enterprise and job creation, climate and environment, culture and heritage, agriculture and food, and sports and recreation. A diminished LEADER programme would significantly undermine Government's capacity to deliver across these and other areas. It serves to demonstrate to citizens how the EU contributes to the betterment of their local area, and how local actions align to the values and aspirations of the EU.

In the short term, we encourage Government to revisit the concept of the LEADER Food Initiative in view of its commitment "to support local and artisan food and drink producers in developing Irish food culture and production." The LEADER Food Initiative was a highly successful instrument for supporting artisan, micro and small-scale food producers, as well as on-farm diversification, under previous iterations of the LEADER programme. A once-off call in August 2023, with total funding of €15m, was heavily oversubscribed, illustrating both the unmet demand for supports of this kind and the grassroots reach of LEADER/ Local Development Companies within our rural communities.

Given the environmental and economic imperatives of shortening food supply chains and enhancing provenance within our food sector, we strongly encourage Government to consider the annual rollout of a similar initiative. Delivering the initiative in conjunction with LEADER – either within the programme or on a standalone basis alongside it – would leverage the networks and delivery infrastructure that already exists, capitalise on the familiarity that the LEADER Food Initiative developed while it was in existence, and ensure that it fed through to the local and artisan food producers that it would target.

Recommendation:

Invest €15m in an annual initiative, to be delivered in conjunction with LEADER, to build capacity within Ireland's emerging local and artisan food sector.

Climate

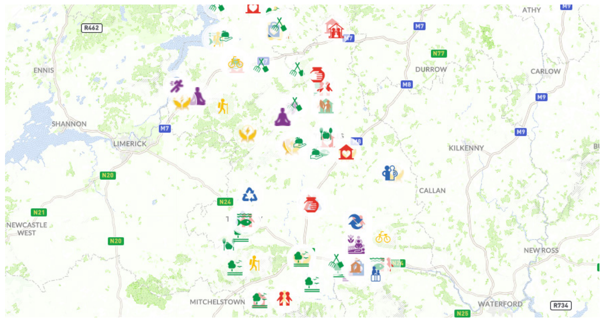
The Programme for Government commits to "**Supporting the Just Transition Commission's work to listen to communities, address their concerns, and ensure they benefit from the green transition.**"

TASC, in its roadmap for a People's Transition, noted that:

"People care more about local development than climate action. [...] The onus is on decision makers to match appropriate climate strategies to the needs and priorities of the whole community." [2]

As we move towards Phase 2 of the Community Climate Action Programme, which is Government's flagship measure for stimulating climate action at the community level, it is important that Government explores new opportunities to integrate climate action and local development.

To this end, we encourage Government to provide funding for the wider piloting of the Community Climate Coaches (CCC) initiative, a multi-stakeholder initiative trialled in County Tipperary – and in a number of other EU locations – across 2023 and 2024.[3] The CCC initiative was motivated by the imperative to make climate action more accessible, inclusive, and cohesive. Among the project's key achievements were the cultivation of trust and relationships within the broader community, the creation of links between various local initiatives, the development of methodologies to reach those that that have historically been excluded from climate justice conversations, and the facilitation of conversations that promote increased understanding and drive ambitious action for community-led responses.



Community Wellbeing and Climate Resilience Map, developed under the Community Climate Coaches initiative in Co Tipperary.

It is important to stress that such a programme would not duplicate or displace the services currently being delivered via the Local Authorities and SEAI; instead, it would add value to these services by building the kind of grassroots capacity that services like these are designed to tap into, but which, in many areas, remains lacking.

Recommendation:

Invest €900k to support climate resilience and regeneration at the community level through an expanded pilot of the Community Climate Coaches initiative.

2 TASC (2020). The People's Transition: Community-led Development for Climate Justice, pp. 47.

3 In Tipperary, the CCC initiative was delivered by a consortium comprising South Tipperary Development Company, North Tipperary Development Company, Tipperary Publication Participation Network, and Cultivate. The pilot was supported by ECOLISE and Erasmus+. More information on the Tipperary pilot is available at sustainable.ie; information on the Europe-wide project is available at communitiesforfuture.org.

Strengthening the Community & Voluntary Sector and Social Economy

The Programme for Government commits to **"Exploring ways to better support nonprofit, community and social enterprise organisations."**

Encouragingly, there are a number of associated commitments set down in the Programme for Government which can be delivered via the forthcoming budget, and which will yield substantial progress towards the higher-level aim of placing the nonprofit, community and social enterprise sectors on a more stable operational footing. These commitments centre primarily on the Government's aims to (i) strengthen Community Employment, Tús, and the Rural Social Scheme and (ii) to develop and improve supports for social enterprises.

(i) Community Employment, Tús, and Rural Social Scheme

The Programme for Government commits to:

- Providing increased flexibility to local Community Employment (CE), TÚS, and Rural Social Schemes to retain participants for longer when it benefits both the individual and the community.
- Increasing the top-up payment for participants on CE, TÚS, and the Rural Social Scheme in recognition of the important work they do in local communities.

CE, Tús and RSS are each integral to Ireland's Community and Voluntary (C&V) Sector and Social Economy. The recent RSS review, for example, highlighted the critical – if often unseen – role that RSS participants now play in their communities, and noted among its key learnings that "declining participation since 2019 is causing a concern that rural communities may be left without key community services." The top-up payments for these programmes are far from commensurate with the economic and social value that they generate. LDCN is pleased to see this acknowledged in the Programme for Government, and we encourage Government to be decisive in addressing it in the forthcoming budget.

While we are mindful of Government's concern that increased top-ups for participation on these schemes might dissuade people from seeking employment, Government must remediate the basic unfairness that arises from the fact that the cost of participating in a scheme that delivers important services to the community can sometimes be higher than the top up payment that participants receive for doing so (travel costs, particularly in larger counties, often offset most or all of the €27.50 top up). Government must recognise that increases to core social welfare payments – whilst important – do not in any way incentivise people to engage with CE, Tús, or RSS; in fact, by reducing the value of the top up payment relative to the underlying payment, it is likely to have the opposite effect.

Finally, Government must remember that RSS, unlike Tús and CE, is not a labour activation programme – rather, it is an income support and social inclusion programme – and therefore the imperatives around incentivising employment do not apply in the same way.

Recommendation:

Increase top up payments to CE, Tús and RSS participants by €7.50 per year over the next three years (additional to any increases to underlying social welfare), at a cost to Government of €12m.

Separately, LDCs welcome the recent move by DSP to open Tús to 18-year-olds, thus enabling the programme to serve a broader cohort and, more specifically, facilitating early engagement with young people that may require additional support in the transition to full-time employment. LDCs encourage DSP to consider extending this derogation to 19- and 20-year olds, and to reduce the qualifying period for people aged 20-25 from one year to six months. Making Tús more accessible to young people would not only strengthen the capacity of the programme and enhance labour market outcomes, it would also support Government's wider efforts to tackle issues of mental health and social exclusion among young people.

Alongside this change, consideration should be given to reducing the minimum period of time between Tús placements from three years to two years. For those that remain unemployed two years after participating in Tús, the effects of a third year of unemployment are likely to include demotivation, skills atrophy, a progressive withdrawal from civic life, and a potential decline in physical and mental health. Re-engagement with Tús or similar supports could negate these outcomes, and would serve to maintain proximity between the unemployed person and the labour market.

Recommendation:

Allow for greater flexibility around access to the Tús scheme, by (i) allowing anyone that is under the age of 20 and unemployed to participate, (ii) reducing the qualifying period for those aged 20-25 to six months, and (iii) reducing the mandatory minimum period of time between Tús placements to two years.

(ii) Funding for social enterprises and other C&V organisation

The Programme for Government commits to:

- Continuing to support the vital role of social entrepreneurship, recognising its value in the local economy and society.
- Considering an annual Social Enterprise Empowerment and Development allocation (SEED) to unlock the potential

of the social enterprise sector for sustainable job creation, affordable childcare provision and community services.

- Opening the Community Services Programme for new applications annually so that more organisations can join the programme.

We are pleased to see the overarching aims of the new national social enterprise policy, Trading for Impact, reflected in the Programme for Government. Social enterprises, of which there are more than 4,300 in Ireland, play a key role in helping to make our communities better places to live and work. Budget 2026 must match the ambition of Trading for Impact, and indeed the Programme for Government, in ensuring that supports for social enterprise are not only expanded, but also that they are better aligned to the evolving needs of the sector.

Funding to the social enterprise sector is – rightly – identified as a priority action within the Programme for Government. In the development and expansion of funding supports, we urge Government to place a greater emphasis on supporting current (operational and salary) expenditures than it has to-date. Whilst capital grants are necessary and valuable, they cannot be relied upon exclusively to yield long-term, sustainable impact: facilities must not only be developed, they must also be staffed, heated, maintained, and insured.

Covering these costs through trading income alone is, for many social enterprises, an ongoing struggle, and one that has grown increasingly difficult as wages, utilities, and insurance costs have risen sharply over the past five years or so. Not only is this putting important community services at risk, it is making it extremely difficult for social enterprises to attract and retain staff to key leadership roles. Autoenrollment, for those social enterprises that have full-time staff, will exacerbate this problem.

We acknowledge that state aid rules limit Government's capacity to provide certain kinds of support to social enterprises. However, instruments already exist through which such supports can be delivered, or upon which they can be modelled. One of those instruments, as referenced in the Programme for Government, is the Community Services Programme, and we welcome Government's commitment to open this programme for new applications annually.

A second instrument, which is referenced heavily in Trading for Impact, is SICAP. Under SICAP, social enterprises can avail of one grant per year, up to a value of €2,500. There is considerable flexibility in how SICAP grants can be used, e.g., advertising, accountancy and legal services, training and mentorship, and public liability insurance. Each year, more than 500 social enterprises benefit from support under SICAP, but only around ten per cent of that number secure a grant. In 2022 (the most recent year for which national figures are available), total grants provided to social enterprises under SICAP amounted to a mere €62,600 nationally. Overall levels of SICAP funding, coupled with the €2,500 ceiling, simply do not allow the programme to service the funding needs of social enterprises at a community level. This is a shortcoming that Government must work to address across the lifetime of Trading for Impact, beginning with Budget 2026.

Recommendation:

Increase funding to the Community Services Programme by ten per cent, or €5.5m.

Invest €3m in a new grants programme for social enterprises, to be delivered within or alongside SICAP, to ensure that funding is as flexible and accessible as possible.

Additionally, a modest and highly targeted investment by Government could help to make EU funding more accessible to the large number of social enterprises and other social economy organisations which cannot meet "matched funding" requirements through their traded income alone. In providing such an allocation in Budget 2026, Government would not only be delivering on Trading for Impact's commitment to "promote the utilisation of EU funding to support social enterprises", it would also be directly implementing a key recommendation of NESC's 2023 report on the landscape for social enterprise on the island of Ireland.

"European projects usually involve some element of co-financing or what is often called 'matched' funding. [...] Community and voluntary organisations, charities and social enterprises in Ireland can be at a disadvantage in applying for EU funds where matched funding is a requirement. The establishment of a central match-funding facility to provide co-financing to community organisations, charities and social enterprises for EU funding applications would address this issue. Access Europe has estimated that a €1m fund would provide sufficient co-financing for around 20 to 25 approved EU projects."[4]

It is also worth noting that, because of the rigorous evaluation and monitoring structures that are already in place for EU-funded projects, high levels of transparency and accountability would be achievable with minimal additional administrative burden at national level.

Recommendation:

Establish a new €1m fund to support social enterprises and other social economy organisations to access EU funds that have matched funding requirements.

4 NESC (2023). Social Enterprise on the Island of Ireland, pp. 42.

About the LDCN

Local Development Companies Network

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Local Development Companies Network (LDCN; formerly Irish Local Development Network or ILDN) is the national representative body for Local Development Companies (LDCs) in Ireland. LDCs operate in all urban, rural and island communities and are 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 Area Employment Services, the HSE Sláintecare Healthy Communities Programme, the Rural Recreation Programme, the Walks Scheme, Back to Work Enterprise Allowance, Social Farming, and various 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. LDCN as a representative body 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.

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government supporting communities

ciste na gcuntas díomhaoin
the dormant accounts fund

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