



## REFLECTIONS ON BUDGET 2022

### **SUBMISSION ON BEHALF OF THE IRISH LOCAL DEVELOPMENT NETWORK.**

#### **The Irish Local Development Network:**

The Irish Local Development Network CLG (ILDN) is the representative body for Ireland's Local Development Companies (LDCs). These 49 not-for-profit groups are building inclusive, vibrant communities and better life chances for people in every part of Ireland. They assist communities and disadvantaged persons/groups with personal development and well-being, social inclusion, employment training and placement, enterprise and social enterprise, community development, environment and climate action.

With 2,100 employees on the ground, supporting 15,000 community groups and 170,000 individuals through €300+ million of programmes each year, the ILDN membership is the largest Community Development/Anti-Poverty Network in the state. Programmes include LEADER, Social Inclusion Community Activation Programme (SICAP), Local Employment Service, Jobs Clubs, Back to Work Enterprise Allowance, Tús, Rural Social Scheme, social enterprise, Rural Recreation, Walks Scheme, health, mental health and social prescribing, environmental management and climate action.

## **The Consultation Process:**

As part of its pre-budget scrutiny process, the Joint Committee on Social Protection, Community & Rural Development & the Islands, is inviting written submissions from Members of the Public, Stakeholders and interested parties.

The Joint Committee has agreed to undertake a detailed examination and review of the 2021 Estimates, once published, for both the Department of Social Protection and the Department of Community & Rural Development & the Islands and to hold hearings on same.

In particular, the Joint Committee will examine the overall fiscal position, public expenditure policy, exchequer receipts policy, and matters which have a significant impact on the budgetary position or fiscal policy of both Departments.

## **ILDN Budget Proposals:**

- ILDN proposes a nationwide Local Employment Service delivered through Local Development Companies
- ILDN calls for increased investment in the Social Inclusion Community Activation Programme and the development of a Digital Inclusion Fund
- ILDN urges the Government to maximise the level of EU & Exchequer co-funding eligible for the purposes of LEADER
- ILDN seeks the continuation and expansion of the Ability Programme
- ILDN underlines the importance of deeper investment in Social Enterprise.
- ILDN recommend reforms of Tús, Community Employment & Rural Social Schemes in order to maximise eligibility and participation.
- ILDN suggests the introduction of a Core Costs Model to ensure the future sustainability of the Local Development Sector.

## 1. Employment Services in the Community

The Department of Social Protection contracts ILDN members for the provision of Local Employment Services (LES) in 23 locations. Providers deliver a case managed employment service for all, including those with disabilities, who avail of the services. Jobseekers work with a LES Mediator to develop a personal progression plan in order to access the full range of employment supports available. Providers also deliver a recruitment and job matching service for employers.

In these circumstances, there is a need to bring certainty, capacity and equity to the employment services required by jobseekers. Currently, jobseekers in 14 counties do not have access to an LES-type service whilst existing LES services face a fundamental disruption to their operations through a potential tender and reconfiguration. Whilst a tender process has also been proposed for some of the the 14 counties with no current service, this will result in two tender processes, with reconfigured service areas, realignment of operational areas, possible redundancies and disruption of service continuity at the worst possible time for jobseekers.

The current machinery is apt to provide the required employment services:

In areas with existing operations, the LES are providing an effective service and can be easily and rapidly upscaled in response to local needs. The 2019 independent Indecon Report records full-time employment placement in these services at 28.8% of hard-to-place *long-term* unemployed, as well as significant levels of part-time work placements. In addition, 89% of employer respondents indicated that their engagement with the Local Employment Services had helped them to find suitable candidates for available jobs.

In the remaining 14 counties, the country's Local Development Companies are currently closely engaged with jobseekers through the Social Inclusion Community Activation Programme (SICAP), Jobs Clubs, BTWEA and Tús, and they have been preparing to deliver LES type services in 2021 for many months now. Whilst they have not operated the LES programme, they do offer comprehensive rural employment

services and have been preparing to add LES. They benefit from best practice sharing and networking to existing LES operators through the ILDN network.

Given the uncertainty in the labour market, the high numbers requiring activation over the next two years and the capacity available to the state through Local Development Companies, now is not the time to embark on a realignment of existing LES operational areas and the introduction of a dual strand procurement process that will fundamentally disrupt activation services when they are needed most.

Instead, we need to release and mobilise the existing capacity. What ILDN proposes is:

- All Local Development Companies that do not have an existing LES would *pilot* an LES-type service, reflective of the Covid-19 context and changing Socio Economic profile.
- In this period, existing LDCs with LES contracts will continue to deliver the current LES service but provide enhanced services.

This proposal offers an agile response to the inevitable high demand for employment services –

- There is integration with existing rural employment and inclusion services.
- There is no requirement to develop infrastructure *ab initio*.
- There is no disruption to existing services from realignment of operational areas or loss of skilled staff.

## **2. Social Inclusion Community Activation Programme (SICAP)**

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

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

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

To protect vulnerable groups, typically SICAP target groups, ILDN proposes a Digital Inclusion Fund (DIF) to be administered by Local Development Companies in conjunction with SICAP. This will have three principal elements –

- It will provide a Digital Enabler in each LDC whose will work internally but mostly externally with target groups (e.g., Local Community Groups, Social Enterprises) to provide Going Back to Work and Ongoing Supports to adapt and innovate in the new environment. As Local Community Groups and Social Enterprise use LDCs for ongoing advice on Health & Safety and other Compliance issues, the DIF will resource Health & Safety/Compliance Officers in LDCs who will also be deployed to ensure the Social Inclusion Target Groups (TGs) are supported to participate fully in civic society for the benefit of their own members.
- The digital challenge also requires support for TGs in the provision of hardware and software if they are not to be further distanced.
- New Programmes and Training for specific TGs such as Travellers, Roma, Migrants, NEETs etc.

The Digital Inclusion Fund is in line with the European Commission's Recommendation (Council Opinion on the 2020 Stability Programme for Ireland,

20.05.20 COM 2020 507 Final, page 8) that Ireland “address the risk of digital divide”) so that digitization “does not increase educational and social inequalities.” (page 6).

Whilst specific funding is required, the DIF will benefit from existing integrated services and facilities with LDCs. An adequate DIF provision for 1.5 staff, programming and grants to beneficiaries will cost circa €7.84 million at an average of €160,000 per LDC.

Further investment in SICAP is also important in the context of the implementation of the Government’s White Paper on ending Direct Provision.

### **3. LEADER**

LEADER is a rural development programme co-funded by the EU which operates a locally led, bottom-up, approach to meeting the needs of local communities and businesses. The programme supports private enterprises and community groups in rural areas. The next EU LEADER programme will not commence until 2023. To bridge the gap to the start of the next programme, in December 2020 a Transitional LEADER Programme which will come into effect from 1st. April 2021, with a Budget of €70 million to the end of 2022.

The LEADER Programme offers the ideal vehicle for the delivery of development funding to Rural Areas in the most effective manner.

It is important that Government allocates the maximum percentage possible of CAP Pillar II Funding and exchequer co-funding for the purposes of LEADER.

#### **4. Community Employment Scheme (CE)**

ILDN propose the following reforms to the Community Employment Scheme:

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

#### **5. Tús**

ILDN propose the following reforms to the Tús scheme:

- Reduce the period from which a Tús participant who has completed a placement can access another Tús placement from 3-years to 1-year. This approach allows the maximum number of jobseekers possible access to the scheme and its benefits from a productivity, educational and societal perspective.
- Extend employment contracts for participants identified as needing increased support to ensure their eventual progression. It is evident that the 12-month Tús contract for those coming from long-term unemployment is simply not

sufficient to allow many participants to break the cycle of unemployment and fully re-integrate with the open labour market.

- Update the eligibility criteria to increase access to the Tús programme to more jobseekers. The current eligibility excludes those who may have engaged in pro-active job seeking activities in the previous year. Furthermore, there are a cohort who while jobless may not be on the live register and may welcome an opportunity to pursue a scheme such as Tús. Examples of how eligibility could be extended include:
  - Reducing the qualifying period for Tús to 6 months
  - Allowing all periods of training, work experience and short-term employment to count towards Tús eligibility
  - Extending eligibility to those not in receipt of a DSP payment but have training or those who are coming off a payment and are considering pursuing employment again
  - Extend employment contracts for Tús participants aged 62 or over. Job opportunities for the over 60's are limited for a range of reasons. In order to provide fulfilling opportunities for those over 62 who wish to remain on Tús scheme for an extended period consideration should be given to allow this age cohort to remain on Tús until:
    - Statutory Retirement
    - They attain full-time employment

## **6. Rural Social Scheme**

The Rural Social Scheme (RSS) is aimed at low-income farmers and fishermen/women. To qualify for the RSS you must be getting a social welfare payment. In return, people participating in the RSS provide services that benefit rural communities.

The number of participants on the RSS faces decline in the coming years. ILDN urges the Government to review the programme ahead of Budget 2022 and bring forward reforms to protect participation in this important scheme.

## **7. Ability Programme**

The Ability Programme provides funding to 27 local, regional, and national projects that focus on bringing young people with disabilities between the ages of 15 and 29 closer to the labour market.

The programme targets young people who are not currently work ready using a range of person-centred supports. This type of work assists young people to identify and follow progression routes based on both their potential and their needs. As a result, the programme promotes positive pathways into education, training, and employment for participants.

Ability has an overall budget of up to €16m from 2018 to 2021, is co-financed by the European Social Fund (ESF).

The objectives of Ability are to:

- assist young people with disabilities to develop the confidence and independence required to participate in education, training, and employment.
- support young people with disabilities who are not in education, employment, or training to access such supports, thus increasing inclusion for PWD's in mainstream society at all levels.

- build the capacity of mainstream employment services, education, and training providers to support the progression of young people with disabilities
- build the capacity of employers to recruit and retain young people with disabilities within their workforce.

The current Ability Programme is due to end on the 1st of July 2021. The 1,900+ young people who registered and engaged across the 27 projects all around the country require ongoing support to continue their journey through education and training towards employment if they are to realise their full potential. For this support to continue a solution needs approval to ensure these young people avoid early school leaving and unemployment.

ILDN notes recent commitments by Government to continue the Programme beyond July 2021.

## **8. SOCIAL ENTERPRISE**

Social enterprise are businesses whose core objective is to achieve a social, societal or environmental impact. Like other businesses, they trade in goods or services on an ongoing basis. However, any surpluses they generate are re-invested into achieving a social impact.

Ireland is highly reliant on social enterprise and has the potential to create many more services and jobs in the sector. Forfás has estimated that Ireland's social enterprise sector supports over 25,000 jobs but has the potential to create at least a further 65,000.

Local Development Companies have a long and proud tradition of initiating and supporting social enterprises around the country that bring a multi layered set of benefits to disadvantaged communities in rural and urban Ireland. Currently, approximately 40 LDCs employ a dedicated staff member to work with and support social enterprises in every part of Ireland. In addition, LEADER and SICAP programme staff work with social enterprises.

Supports include:

- Local Development Companies exclusively operate the SICAP and LEADER Programmes which have social enterprise as component activities under EU Partnership Agreements.
- Developing and directly managing social enterprises.
- Strong experience in upskilling others to develop and manage social enterprises.
- Provision of Governance supports to companies including the Social Enterprise Regeneration Programme 2021.
- Using on-the-ground knowledge to ensure that services are relevant to local needs and making connections with local communities.
- Pre-Enterprise Training Supports including 'Start your Social Enterprise' programme which is complemented by mentoring and advice.
- Grant Assistance for Social Enterprise Start-up/Expansion: Grant assistance to social enterprises is allocated through a variety of programmes e.g. LEADER and SICAP.
- Provision of Placements: The opportunity to employ individuals through activation and other schemes bridges an important resource gap for the social enterprises at the start-up and scaling stages. Schemes such as Community Employment Schemes, Tús, RSS and Job Initiative are the most frequently used programmes.
- Meaningful training and employment opportunities for marginalised individuals who are in many instances excluded from mainstream employment opportunities (individuals with disabilities, ex-prisoners, ex-offenders, early school leavers etc).

Investment in Social Enterprises provides the State with the opportunity to meet a range of objectives in terms of job creation and the provision of services.

## **9. A Sustainable Local Development Sector**

ILDN is seeking the introduction of a core cost funding model as a more sustainable and equitable approach to supporting the inclusion focused and anti-poverty work of Local Development Companies country-wide. This model is based on a full costs recovery system in line with Objective 4 of the Government's Sustainable, Inclusive and Empowered Communities strategy.

LDCs are responsible for implementing a range of programmes and initiatives, funded by the state and EU sources, to address poverty, disadvantage, exclusion and discrimination experienced by key target groups and marginalised communities. Based on over 25 years of successful delivery, a strong and robust trusted partner working relationship has been developed with many Government Departments and state agencies. LDCs are currently funded on a programme by programme budget scenario. Within this programme by programme funding milieu there is a degree of fragmentation and disjointed provision that act as impediments to maximising of the programmes remit and the resulting investment return opportunities. As such the current funding approach does not contribute to a sustainable operational framework.

The introduction of a fit for purpose core costs funding model to must be dynamic and premised on a full costs recovery system. The core costs funding model proposed will provide the necessary scope for LDCs to better achieve outcomes related to Government inclusion focused policy objectives and will help simplify matters in the recording, reporting and verification of integral management and administration functions involved in multiple programmes delivery. Properly resourced LDCs will continue to provide the state with transparent and credible systems for programmes delivery country-wide that meet best practice governance standards, high level quality performance and achievement and regulatory compliance.