



SOCIAL ENTERPRISE NEW DEAL (SEND)

Budget 2027 Submission

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“I have met many social enterprise groups since I became a Minister of State and...I am very excited about this sector. I look forward to working...to see it succeed further...this is a brilliant, breathtaking and refreshing area to be in.”

Minister of State Jerry Buttimer T.D., Dáil Éireann (26th March 2026)

“The government is benefiting from the exertion of social enterprise. But for social enterprises, the cost to the government would be a lot more. It’s time for this to be acknowledged.”

Mayo-based social enterprise, SERI Pre-Budget Consultations (March 2026)

“If we speak about social enterprise, it has been a success story and it has shown empowerment, innovation and employment and the opportunity presented to people.”

Minister of State Jerry Buttimer T.D., Dáil Éireann (5th February 2026)

“The social enterprise sector is bleeding talent. People are staying vocationally, to the detriment of their own financial wellbeing.”

Cork-based social enterprise, SERI Pre-Budget Consultations (March 2026)

“Through supporting the delivery of the actions contained in Trading for Impact, we will strongly support the development of the sector in the years to come. The best is yet to come. We are in the process of creating conditions where social enterprises can do what they do best, which is to serve, include and empower.”

Minister of State Jerry Buttimer T.D., Dáil Éireann (1st October 2026)

*“...the geopolitical situation has changed, and a series of overlapping crises have shown how the social economy acts as a source of resilience, creating and retaining local jobs, mobilising communities in a spirit of solidarity, and **stepping in where markets fall short** to promote inclusive growth. It helps turn EU priorities into effective solutions for people and places, driving social innovation, delivering on the European Pillar of Social Rights and the Union of Equality, and contributing to a more circular and resilient economy.”¹*

EU Social Economy Action Plan - Mid-Term Review (2026)

¹ Report From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions: Mid-term review of the action plan for the social economy: main achievements and way forward

1. Foreword by SERI Chairperson, Richard Bruton

In every county, in communities both rural and urban, social enterprises are sustaining services, creating employment and addressing challenges that neither the market nor the state has fully resolved. They do so not for profit maximisation, but for purpose. This is my first pre-budget submission as Chairperson of SERI, and I want to begin by being direct: now is the time for greater ambition for this sector.



The National Economic and Social Council has already articulated a compelling vision for what social enterprises can contribute — from climate action and the circular economy to care for older people, labour market activation and renewal of our towns and villages. That vision is not aspirational. The capacity exists. What is missing is a policy framework that properly recognises the economic reality in which most social enterprises operate and supports them accordingly.

The core challenge this submission addresses is one I recognise from government: the mismatch between what we ask a sector to deliver and how we fund it. The majority of social enterprises are not conventional market actors. Most operate in areas of persistent market failure — where services are genuinely needed but cannot be commercially self-sustaining. Yet current policy treats them as if they were. The result is financial fragility across a sector that employs over 84,000 people and delivers services that government would otherwise have to provide.

One area that strikes me as a particularly under-utilised opportunity is innovation procurement. Government faces complex, evolving challenges — in climate, in care, in community resilience — and social enterprises are often best placed to develop practical, locally grounded solutions. Yet the structured pathways to engage them as innovation partners barely exist. The pilots we are proposing in this submission are modest in cost but significant in ambition: creating replicable models that could transform how government and the social enterprise sector work together.

The seven measures in this submission are carefully targeted, evidence-based and costed at €7.58 million in total. That is a modest investment relative to the value this sector generates and the risk of doing nothing. The measures span trading support, co-funding reform and cost relief — and together they constitute the first phase of a broader New Deal between the State and the social enterprise sector.

2. Summary of Budget Asks

Phase #1 of a Social Enterprise New Deal (SEND). Seven measures. €7.58 million.

Budgetary Measure	Description	Investment in Budget 2027	Relevant Programme for Government Commitment(s)
1. Equality of Access to LEO Supports	Ensure equal and consistent access to existing Local Enterprise Office supports for social enterprises, addressing exclusions based on the social enterprise business model and the reluctance of LEOs to allocate limited resources to social enterprises.	€2.7m annual increase in LEO funding (proportionate to social enterprise share of 1.1% of enterprise base)	<ul style="list-style-type: none"> National Social Enterprise Policy – Action 15: Ensure consistency of approach across LEOs LEO Policy Statement – Action 3.3: Enabling locally trading sectors to thrive
2. Refocus the DAF Social Enterprise Measure	Place the Dormant Accounts Fund Social Enterprise Measure on a permanent footing and refocus it on high-impact national initiatives that strengthen trading capacity: community wealth building, a national procurement directory, a national verification system and awareness raising of potential buyers.	Secure existing €2m DAF measure; refocus on strategic national initiatives (no additional cost)	<ul style="list-style-type: none"> National Public Procurement Strategy – 10% social considerations target by 2029 National Social Enterprise Policy – Actions 1, 27 & 34: awareness, procurement participation, quality mark Programme for Government – SEED Fund commitment; review of state body supports for social enterprise
3. Fund SRPP & GPP Innovation Procurement Pilots Capable of Replication Across the Country	Establish a competitive €0.8m Innovation Partnership Pilot Fund, administered by DPER in partnership with DRCDG, open to social enterprises responding to GPP and SRPP policy challenges identified by public bodies – structured in line with the Innovation Partnership procedure under EU Directive 2014/24 and S.I. No. 284/2016.	€0.8m Innovation Partnership Pilot Fund	<ul style="list-style-type: none"> National Public Procurement Strategy – advancing innovation procurement as a vehicle for public policy delivery National Social Enterprise Policy – Action 27: increase participation in public procurement Programme for Government – SEED Fund commitment Circular Economy Strategy 2026-2028
4. Expand & Reform the Community Services Programme (CSP)	Reposition and expand the CSP as the State's central co-funding mechanism for social enterprises delivering on government priorities in market failure areas. Reopen the programme to new entrants, increase per-FTE support to reflect actual wage costs and introduce flexible eligibility thresholds.	<p>€1.04m for 30 new CSP places (on top of 2026 commitments)</p> <p>€1.54m (2.6% increase) to maintain value of existing supports in line with inflation</p> <p>Total: €2.58m</p>	<ul style="list-style-type: none"> National Social Enterprise Policy – Action 12: Provide targeted supports through CSP and other programmes Programme for Government – commitment to review vital supports available for social enterprises from state bodies
5. Ring-Fence a Social Enterprise Incubation Fund within SICAP	Introduce a dedicated ring-fenced fund within SICAP to support early-stage social enterprise development. Currently only 1.5% of social enterprises receive any SICAP funding, with an average award of €1,284 – insufficient for meaningful start-up or growth support.	€1.5m annual ring-fenced fund within the existing SICAP budget	<ul style="list-style-type: none"> National Social Enterprise Policy – Action 17: Deliver loan/grant funding for social enterprises through CSP, SICAP, PEACEPLUS and LEADER
6. Proportionate Financial Reporting for CSP-Funded Social Enterprises	Allow smaller CSP-funded social enterprises (annual income below €250k) to submit detailed non-audited financial statements in lieu of full audited accounts. Addresses rising audit costs, declining auditor availability and inconsistency with the Charities (Amendment) Act 2024.	No direct cost to Exchequer. Administrative measure only.	<ul style="list-style-type: none"> Programme for Government – commitment to improved affordability Charities (Amendment) Act 2024 – proportionate audit requirements for organisations under €250k income
7. Introduce a PRSI Rebate for Social Enterprises to Offset Rising Labour Costs & SE Rep on Cost of Business Advisory Forum	Introduce a temporary, targeted PRSI rebate for social enterprises, calculated on a per-worker basis for employees earning below €44,000, and nominate a social enterprise representative to the Cost of Business Advisory Forum	Cost to be determined by Revenue/DPER based on social enterprise payroll data; mechanism is low-cost to administer given existing PMod infrastructure	<ul style="list-style-type: none"> Programme for Government – Supporting Small Business, Hospitality and Retail Programme for Government - Set up a Cost of Business Advisory Forum
Total Budget 2027 Investment Required:		€7.58 million + continued commitment to €2m DAF Social Enterprise Measure	

3. NESC Report: A Vision for Social Enterprise in Ireland

An extract from a 2023 report² by the National Economic & Social Council, '*Social Enterprise on the Island of Ireland*', provides a vision for social enterprise in Ireland:

There is now the opportunity to have greater ambition for social enterprises, as they can make an important contribution in addressing current and future challenges facing our society.

A number of areas have emerged in which social enterprises could play an important role in future, for the benefit of Irish society, the economy and local communities.

These areas include:

- **labour market** – social enterprises have an important role in providing employment opportunities for people distant from the labour market;
- **environmental**, such as renewable energy regeneration, the circular economy and restoration of biodiversity;
- **digital**, particularly for social entrepreneurs;
- **caring** for children, people with disabilities and older people, especially those who wish to be cared for in their own homes and/or communities;
- **new communities**, where social enterprises can provide language and translation services, as well as support to access services; and
- **social farming**, which offers disadvantaged people the opportunity to spend time in a healthy, supportive and inclusive environment.

² https://www.nesc.ie/app/uploads/2023/05/161_social_enterprise.pdf

4. Diagnosis: A Structural Misalignment in Government Policy

Ireland's 4,335 social enterprises are perceived as conventional market actors, despite the majority of them operating in areas of persistent market failure³.

In practice, most social enterprises in Ireland function less like private, profit-maximising firms and more like public service providers - akin to post offices - delivering essential, locally embedded services where neither the state nor the market fully reaches, such as:

- Sustaining essential community facilities in rural and economically disadvantaged areas
- Providing employment opportunities for people excluded from the labour market
- Delivering critical 'last mile' care for older people, people with disabilities, children and those experiencing mental health challenges
- Advancing grassroots circular economy initiatives

This is not a marginal, theoretical issue - it is a structural contradiction at the heart of current policy that results in persistent financial instability:

- Only **48.5%** of social enterprise income is derived from trading activity⁴
- **56%** of organisations lack sufficient reserves to withstand financial shocks⁵
- Just **1.5%** of social enterprises access SICAP funding annually, with an average award of **€1,284** - representing only **0.2%** of SICAP spending⁶
- The State's main support for operational costs, the Community Services Programme (CSP), is rarely accessible, insufficiently funded for current recipients, and structured as a labour activation scheme rather than a co-funding model for social enterprises.

At the same time, social enterprises face rising operating costs:

- Labour (minimum wage increases, PRSI, pension auto-enrolment)
- Compliance (accountancy and audit requirements)
- Insurance and utilities

Unlike for-profit commercial firms, social enterprises cannot offset these pressures through price increases, as they tend to serve low-income and disadvantaged communities.

³ Erynn E. Beaton & Elena Dowin Kennedy (2021) Responding to failure: the promise of market mending for social enterprise, *Public Management Review*, 23:5, 641-664, DOI: 10.1080/14719037.2020.1865438

⁴ Social Enterprises in Ireland: Baseline Data Collection Exercise (2023)

⁵ SERI Annual Member Survey 2024/25

⁶ KPMG Review of SICAP 2018-2023 - Final Report (2024)

The Core Problem

The majority of social enterprises are being asked to solve problems that the market has already failed to solve, using the same market mechanisms that produced that failure.

This creates three reinforcing pressures:

1. A trading income gap (trading activities cannot generate full cost recovery)
2. A co-funding gap (state co-funding supports are fragmented and insufficient)
3. A cost squeeze (rising costs cannot be passed on)

Why This Matters to Government

Social enterprises are not a peripheral sector. They are distributed social infrastructure in every constituency and every community in Ireland.

- Employing 84,382 people (3.7% of the national workforce)
- Delivering services aligned with core government priorities:
 - Disability inclusion
 - Rural development⁷
 - Town and village renewal
 - Labour market activation
 - Climate and circular economy

If social enterprises fail, the State does not eliminate the need - it assumes it, often at greater fiscal cost.

“The government is benefiting from the exertion of social enterprise. But for social enterprises, the cost to the government would be a lot more. It’s time for this to be acknowledged.”

Mayo-based social enterprise, SERI Pre-Budget Consultations (March 2026)

⁷ OECD Report - Rural Policy Review of Ireland (2026):

5. A New Deal: Co-Fund Social Enterprise in Market Failure Areas While Maximising Trading Income

Current Government policy assumes that better access to trading opportunities and piecemeal, project-based grants will resolve the sector's sustainability challenges. This is only valid for a subset of the sector. For services rooted in market failure, this assumption does not hold.

The sector needs a New Deal.

A 2023 OECD paper⁸ recommended that the government invest directly in social enterprises, establish targeted investment funds and provide longer-term financing mechanisms so that funding supports scaling and innovation rather than only short-term liquidity.

Social Enterprise New Deal: The government should support social enterprises to maximise trading income where possible, while recognising that market failure necessitates sustained state co-funding and cost relief to ensure viability.



Photo: An Tánaiste Simon Harris T.D. with staff at Rise at the Cove, Greystones, a social enterprise providing employment opportunities for people experiencing addiction and homelessness.

⁸ OECD Report - Boosting Social Entrepreneurship & Social Enterprise Development in Ireland (2023)

6. Budget 2027: First Step of a Broader Reform Package

Support Trading Maximisation (While Recognising Constraints on Full Cost Recovery)

(i) Equality of Access to LEO Supports to Maximise Trading Potential

Problem:

- Social enterprises face inconsistent access to Local Enterprise Office (LEO) support, limiting their ability to grow trading income.
- This is driven by a misalignment between LEO criteria and the social enterprise model, alongside capacity concerns within the LEO network.
- SERI research⁹ highlights that for social enterprises seeking LEO support:
 - 48% of refusals were due to legal structure (e.g. CLG, charity, co-op)
 - 30% were due to lack of perceived export potential
 - 19% were based on assessments of insufficient commercial viability
- These criteria do not reflect the operating reality of social enterprises, many of which operate in areas of market failure where commercial viability is achieved through a combination of trading income and other funding sources

While there is growing openness within the LEO network, thanks in large part to the proactivity of the LEO Centre of Excellence in Enterprise Ireland, concerns about increased demand (“floodgates”) persist, particularly given existing resource constraints.

Solution:

- €2.7m annual increase in LEO funding (proportionate to social enterprise share of 1.1% of enterprise base)
- Ensure equal and consistent access to LEO supports for social enterprises:
 - Provide targeted guidance and training to align LEO assessment criteria with the social enterprise model
 - Recognise social enterprises as a distinct but valid part of the enterprise base
 - Increase LEO funding to address capacity concerns and enable inclusion
- It ensures social enterprises are not excluded from mainstream enterprise support due to structural misalignment rather than merit.

⁹ Accessing Support from Local Enterprise Offices - Results of a January 2024 Survey of Social Enterprises (2024)

Existing Government Commitments:

- **National Social Enterprise Policy – Action 15:** Ensure consistency of approach to social enterprises across Local Enterprise Offices.
- **Local Enterprise Office Policy Statement – Action 3.3:** enabling locally trading sectors to thrive.

(ii) Refocus the DAF Social Enterprise Measure on Strategic Trading Initiatives

Problem:

- The current €2 million Dormant Accounts Fund (DAF) allocation for social enterprise is too small and too fragmented to deliver meaningful impact.
- Funding is typically distributed as small, project-based grants across the country, diluting its effectiveness and limiting its ability to drive systemic change.
- In addition, the DAF Social Enterprise Measure lacks long-term certainty, constraining the development of strategic, national-level initiatives.

Solution:

- Place the Social Enterprise Measure on a permanent footing and refocus it on a small number of high-impact, national initiatives that strengthen trading capacity across the sector.

Proposed Measures:

- Develop Community Wealth Building pilots in line with best practices in Scotland¹⁰ and Northern Ireland
- Develop a national procurement directory alongside a buyer–supplier awareness campaign
- Establish a national verification system for social enterprises, supported by a public awareness campaign
- Developing a single point of entry for social enterprise supports, similar to Just Enterprise in Scotland¹¹
- This approach shifts DAF funding from fragmented local activity to targeted national infrastructure that enables social enterprises to grow trading income at scale. It also:

¹⁰ The Community Wealth Building (Scotland) Act 2026 seeks to ensure consistent implementation of the CWB model of economic development across Scotland. It does this by requiring public bodies to work together to use their economic levers to deliver sustainable growth and promote resilience in our local economies. The legislation requires Scottish Ministers to publish a Community Wealth Building Statement setting out the action they will take, or are taking, to advance CWB in Scotland.

¹¹ <https://justenterprise.org/>

- Improves visibility and credibility of the sector
- Strengthens access to procurement opportunities, including innovation procurement
- Provides consistent tools to demonstrate impact

Existing Government Commitments:

- **National Public Procurement Strategy** – increasing social enterprise participation and supporting the voluntary 10% social considerations target.
- **National Social Enterprise Policy – Action 27:** increase procurement participation; **Action 1:** Deliver a national awareness campaign to improve awareness and understanding of social enterprise; **Action 34:** Investigate the challenges and merits of utilising a dedicated administrative voluntary accreditation or ‘quality mark’ for social enterprises.
- **Programme for Government** – SEED Fund commitment and commitment to review the vital supports available for social enterprises from state bodies.

(iii) Fund SRPP & GPP Innovation Procurement Pilots Capable of Replication

The Problem:

- Despite positive policy intent, social enterprises remain largely absent from public procurement processes, and are particularly underrepresented in innovation procurement mechanisms such as Pre-Commercial Procurement (PCP), Public Procurement of Innovative Solutions (PPI) and Innovation Partnership.
- Government departments and public bodies currently lack a structured pathway to engage social enterprises as providers of innovative solutions to pressing environmental and social policy challenges. As a result, the potential of social enterprises to advance GPP and SRPP objectives — through sustainable service delivery, circular economy models and employment of disadvantaged groups — goes largely unrealised.

The Solution:

- Allocate ring-fenced capital to fund a small number of Innovation Partnership pilots that task social enterprises with developing solutions to identified government GPP and SRPP policy priorities.

Proposed Measure:

- Establish a competitive €0.8m Innovation Partnership Pilot Fund, administered by DPER in partnership with DRCDG, open to social enterprises responding to GPP and SRPP

policy challenges identified by public bodies — structured in line with the Innovation Partnership procedure under EU Directive 2014/24 and S.I. No. 284/2016.

- Pilot themes should be drawn explicitly from national GPP targets and SRPP priorities, such as low-carbon service delivery, sustainable procurement of goods, supported employment and community wealth building.
- Require each pilot to include a structured learning and dissemination component, so that successful GPP- and SRPP-compliant models can be documented, evaluated and adopted by other public bodies or social enterprises in different regions.

Alignment with Existing Government Commitments:

- **National Public Procurement Strategy** – explicit recognition of social enterprises as procurement participants; commitment to increase the use of social and environmental considerations in procurement through SRPP and GPP frameworks; support for innovation procurement as a mechanism to deliver public policy goals
- **National Social Enterprise Policy: Action 27** – increase social enterprise participation in public procurement, including in R&D and innovation-led procurement processes aligned with SRPP objectives
- **Programme for Government** – SEED Fund commitment; supporting the piloting of replicable public service innovation models with measurable social and environmental outcomes
- **Strategic Public Procurement Roadmap** – existing OGP infrastructure, GPP National Action Plan targets, and guidance on PCP and PPI provides a ready-made framework within which GPP- and SRPP-focused pilots can be structured, delivered, and evaluated

Address the Co-Funding Gap (State Supports Are Fragmented And Insufficient)

(iv) Expand and Reform the Community Services Programme (CSP)

Problem:

- Current policy assumes that social enterprises can achieve sustainability through increased trading, procurement access and project-based grants. This assumption does not hold for a significant portion of the sector.
- Many social enterprises operate in areas of persistent market failure, where services cannot generate sufficient income to cover their full costs. As a result, even well-run social enterprises face ongoing financial instability.
- The Community Services Programme (CSP) is the State’s primary mechanism for supporting employment within social enterprises. In practice, it already functions as a partial co-funding model for services the market will not provide.

- However, the programme is not designed or resourced to fulfil this role as it is:
 - Rarely accessible for new entrants
 - Insufficiently funded for current recipients
 - Structured as a labour activation scheme rather than a co-funding model for social enterprises
- This creates a structural gap between what the State relies on social enterprises to deliver and how those services are co-funded as organisations cannot recruit or retain skilled staff required for core service delivery.

Solution:

- Reposition and expand CSP as the State’s central co-funding mechanism for social enterprises delivering on key government priorities in areas of market failure.
- This aligns with international best practice. As mentioned previously, a 2023 OECD paper recommended that governments provide direct investment and longer-term financing mechanisms to social enterprises, enabling them to scale and innovate rather than rely on short-term, fragmented funding.

Proposed Measures:

- Reopen CSP to new entrants, beginning with a first phase of 30 additional places in 2027 (additional to the government’s 2026 announcement of CSP funding), prioritising social enterprises addressing market failure in Government priority areas.
- Create development plans where CSP-awardees can contribute to solving national problems, e.g. town and village renewal, technological unemployment, disability support. etc
- Increase per-FTE support to reflect actual wage costs and enable sustainable service delivery
- Introduce flexibility in eligibility thresholds to support organisational growth and evolving workforce needs
- Support participating social enterprises to undertake social impact measurement, in line with Action 52 in *Trading for Impact*.
- Investment Required:
 - **€1.04 million** to support 30 new CSP places in 2027
 - **€1.54 million** increase (2.6%) to maintain the value of existing CSP supports in line with inflation
- This measure formalises and strengthens a role the CSP is already performing in practice. It also:
 - Recognises social enterprises as co-deliverers of essential services where markets fail
 - Provides the stable co-funding required to sustain those services

- Enables organisations to maximise trading income where viable, without relying on it to cover structural deficits
- As an existing programme, CSP represents low policy risk, and expansion is more feasible than introducing new schemes.
- Reframing CSP in this way aligns funding with the economic reality of social enterprises and supports delivery across key Government priorities, including disability inclusion, rural development, climate action and labour market activation.

Case Study: St. Munchin's Community Centre, Limerick City

St. Munchin's Community Centre is a social enterprise embedded in the heart of its community since 2005. With a broad and representative community base, it delivers essential services to some of Limerick City's most vulnerable residents — including Meals on Wheels, employment and training supports, a community café and health and fitness programmes.

St. Munchin's current annual staff cost stands at €387,727. However, the cumulative impact of upcoming labour cost increases — pension auto-enrolment, ePRSI, and minimum wage rises — will push that figure to €463,101: an increase of €75,373, or just under 20%, with little or no scope to pass these costs on through price increases.

For a community-rooted social enterprise with no commercial buffer, this is not an abstraction — it represents a direct threat to the services that the most vulnerable members of the community rely on.

Existing Government Commitments:

- **National Social Enterprise Policy – Action 12:** Over the lifetime of this policy...provide targeted supports through new and existing programmes including CSP.
- **National Social Enterprise Policy – Action 52:** Make available social impact measurement best practices, and capacity building supports to social enterprises.

(v) Ring-Fence a Social Enterprise Incubation Fund within SICAP

Problem:

- SICAP is the State's primary entry point for early-stage social enterprises, but only a minimal share of funding reaches them directly.
- Just 1.5% of social enterprises access SICAP funding annually, with an average award of €1,284 - representing only 0.2% of SICAP spending¹²
- As a result, Local Development Companies lack the flexible resources needed to convert strong local engagement into viable enterprises, limiting the progression and survival of early-stage social enterprises.

Solution:

- Introduce a dedicated, ring-fenced Social Enterprise Incubation Fund within SICAP to support early-stage development and growth.

Proposed Measure:

- Establish a **€1.5 million annual ring-fenced fund** to enable Local Development Companies to provide meaningful start-up and growth grants to social enterprises.
- This is a targeted, high-leverage intervention that strengthens the sector at its entry point. It also:
 - Converts existing SICAP engagement into tangible enterprise creation
 - Improves survival and growth rates among early-stage organisations
 - Builds a stronger pipeline of viable social enterprises

Existing Government Commitments:

- **National Social Enterprise Policy – Action 17:** Over the lifetime of this policy, deliver loan / grant funding schemes for social enterprises, and provide targeted supports through new and existing programmes including CSP, SICAP, PEACEPLUS, and LEADER.

¹² KPMG Review of SICAP 2018-2023 - Final Report (2024)

Address the Cost Squeeze (Rising Costs Cannot Be Passed On)

(vi) Introduce Proportionate Financial Reporting for CSP-Funded Social Enterprises

Problem:

- Social enterprises funded under Pobal's Community Services Programme (CSP) are required to submit audited financial statements under Circular 13/2014, regardless of organisational size.
- This requirement is increasingly unworkable:
 - Audit costs are rising significantly
 - Auditor availability is declining, with some firms withdrawing from social enterprises and others threatening to do so
 - CSP-funded organisations are at risk of non-compliance through no fault of their own
- The requirement is also inconsistent with broader policy direction. The Charities (Amendment) Act 2024 provides audit exemptions for organisations with annual income below €250,000, recognising the need for proportionate regulation.
- Despite this, smaller CSP-funded social enterprises remain subject to full audit requirements, creating an avoidable administrative and financial burden.

Solution:

- Introduce a proportionate financial reporting option for smaller CSP-funded social enterprises, in line with existing provisions under Circular 13/2014.

Proposed Measure:

- Allow CSP-funded social enterprises with annual income below €250,000 to submit detailed, non-audited financial statements in place of audited accounts, subject to:
 - Sign-off by two responsible persons at board or senior management level
 - Clear reporting of grant income and expenditure
 - Approval by the relevant Accounting Officer in DRCDG, with DPER sanction where required
- This measure maintains financial accountability while removing a disproportionate compliance burden. It also:
 - Reduces administrative and financial pressure on smaller organisations
 - Mitigates risks arising from auditor shortages
 - Aligns CSP requirements with wider regulatory reform

- Crucially, it ensures that social enterprises can continue delivering essential services without being constrained by compliance requirements that exceed their scale and risk profile.

Existing Government Commitments:

- **Programme for Government** – commitment to improved affordability and insurance reform.
- **Charities (Amendment) Act 2024** – proportionate audit requirements for organisations under €250k income.

(vii) Introduce a PRSI Rebate for Social Enterprises to Offset Rising Labour Costs and Nominate a Social Enterprise Rep to Cost of Business Advisory Forum

Problem:

- Rising operating costs are placing acute pressure on social enterprises. Successive increases to the National Minimum Wage, higher energy costs and escalating insurance premiums are compressing already tight budgets across the sector.
- Unlike commercial firms, social enterprises cannot respond to these cost pressures by raising prices. They predominantly serve low-income and disadvantaged communities, meaning that passing on costs is neither commercially viable nor consistent with their social mission.
- Labour costs represent the single largest expenditure line for most social enterprises. The cumulative impact of PRSI employer contribution increases in 2025, 2026 and 2027 — layered on top of minimum wage uplifts — is eroding the financial sustainability of organisations that deliver essential public value.
- Without targeted relief, these pressures risk forcing social enterprises to reduce staffing, cut services or exit the market entirely — outcomes that would disproportionately affect the communities they serve and undermine broader government commitments to social inclusion.

Solution:

- Introduce a temporary, targeted PRSI rebate for social enterprises, based on the number of workers on their payroll earning less than €44,000 per annum. This would provide direct, practical relief to the organisations most exposed to rising labour costs while preserving employment and service delivery.
- Nominate a social enterprise representative body to the Cost of Business Advisory Forum

Proposed Measures:

- Establish a PRSI rebate for social enterprises, calculated on a per-worker basis for employees earning below €44,000 per annum, reflecting the concentration of lower-wage

employment in the sector.

- Deliver the rebate through Revenue's existing PAYE Modernisation (PMod) infrastructure, mirroring the operational model used successfully for the Employment Wage Subsidy Scheme (EWSS) — minimising administrative burden for both government and social enterprises.
- Apply the rebate on a temporary basis across 2027 and 2028, with a review mechanism to assess its impact and determine whether an extension or permanent measure is warranted.
- Nominate a social enterprise representative body to the Cost of Business Advisory Forum

Case Study: Spraio agus Spórt, Co. Donegal

Spraio agus Spórt is an award-winning social enterprise based in Carndonagh, Inishowen, Co. Donegal. Serving young families, children, young people, and adults — with a strong commitment to disability and autism inclusion — the organisation works to tackle disadvantage, strengthen community bonds, and expand opportunity across the Inishowen peninsula.

A temporary PRSI relief for Spraio agus Spórt employees earning under €44,000 per annum would return €84,773 annually to the organisation. For a social enterprise operating on tight margins, this is not simply a saving — it is capital that can be directly reinvested into frontline services and social impact.

Existing Government Commitments:

- **Programme for Government – Supporting Small Business, Hospitality and Retail:** The Government will bring forward measures to support SMEs, in particular the retail and hospitality sectors, acknowledging the increased cost pressures on these sectors and this will entail changes to VAT, PRSI and other measures. These measures will be implemented as part of the normal budget process.
- **Programme for Government - Set up a Cost of Business Advisory Forum:** This Forum will include a review of all business taxes and costs and ensure businesses are consulted before new legislation or policies are introduced that impact small businesses.

7. Conclusion

Ireland is already relying on social enterprises to deliver essential services in areas where markets do not function.

However, current policy funds them as if they were optional, self-sustaining businesses.

Budget 2027 presents an opportunity to correct this mismatch - by recognising social enterprises as a permanent and necessary component of Ireland's social and economic infrastructure.

It's time for a **Social Enterprise New Deal**.



What is a social enterprise?



FoodCloud tackles climate change and food insecurity by connecting businesses that have surplus food to communities that can use it. By leveraging the power of technology we match the supply side with the demand side to reduce complexity and make it easier for our partners to collaborate.

The **National Social Enterprise Policy for Ireland 2024-2027** defines a social enterprise as:

'an enterprise whose objective is to achieve a social or environmental impact, rather than maximising profit for its owners or shareholders. It pursues its objectives by trading on an ongoing basis through the provision of goods and / or services, and by reinvesting surpluses fully or primarily into achieving social objectives. It is governed in a fully accountable and transparent manner and is independent of the public sector. If dissolved, it should transfer its assets to another organisation with a similar mission.'

Social enterprise organisations in Ireland typically incorporate an 'asset lock' mechanism in their structure, which restricts or limits the distribution of property and income to the members, owners, or managers of the organisation.

As outlined in the policy, social enterprises '*make a valuable contribution to the social and economic progress of Ireland through the creation of jobs and through the delivery of a broad range of services in areas such as homecare, child care, employment activation, retail, hospitality and catering, environmental services, and social housing*'.

A sector at the heart of Irish society

Ireland has a rich and storied history of involvement in social enterprise, with numerous notable examples spanning various sectors and industries.



Ireland has a long history of involvement in social enterprise: the GAA, agricultural co-ops, the credit union movement, disability services, housing co-operatives, community games, childcare, homecare providers, community tourism, and creative arts.

Dr. Senan Cooke, Dunhill

Most social enterprises start out as a response by active citizens to a perceived local need. They are strongly rooted in their community and develop through trading activity carried out in their local town or village. The provision of disability services, housing co-operatives, work-integration social enterprises and community games further exemplify the diverse range of social enterprises in Ireland. These initiatives aim to enhance the quality of life for individuals with disabilities, long-term unemployed individuals, address housing challenges, and promote community engagement through recreational activities and competitions.

Social Enterprise in Ireland: A Baseline Data Collection Exercise

There are 4,335
social enterprises
operating in Ireland.

A recent report funded by the Department of Rural and Community Development, ‘**Social Enterprises in Ireland: A Baseline Data Collection Exercise**’, highlights the impressive impact of social enterprises in Ireland as well as challenges facing the sector.



AREAS OF FOCUS

Social enterprises work in various sectors, including Childcare, Community Infrastructure, Health, Youth Services & Social Care, and Heritage Festivals, Arts & Creative Industry.



EMPLOYEES

Employment figures highlight the significant role played by social enterprises as employers in Ireland. Presently, these enterprises provide jobs to 84,382 individuals (3.7% of the Irish workforce).



VOLUNTEERS

Volunteers are critical to the success of social enterprises. Approximately 74,825 people actively volunteer in the social enterprise sector, including 30,324 as board members.



INCOME

40% have an annual income of less than €100,000 with a median annual income of all respondents of €180,000. The median annual income reduces to €80,000 in the case of rural social enterprises.

SERI | Social Enterprise Republic of Ireland

Ireland's national representative body for social enterprises. This submission represents the collective views of SERI members across 26 counties, gathered through an extensive process of consultation and engagement.

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Brendan Whelan
Evanne Kilmurray
John Kearns
John P. Murphy
Kim McKenzie-Doyle
Linda Ledger
Lorraine Corcoran
Richard Bruton (Chair)
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