Citizens **Information** Board
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Budget 2026: a Citizens Information Board Policy Review

November 2025

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Introduction

This document tracks Budget 2026 outcomes against points raised and policy suggestions made in the Citizens Information Board's pre-budget submission 2026, submitted to the Minister for Social Protection and the Minister for Finance in July 2025.

Summary of CIB Pre-budget Submission

CIB's pre-budget submission was based on feedback received from our funded, frontline services. We highlighted issues identified by services as problematic for clients. We focused on:

- Work, welfare and child poverty
- Living with disability and illness
- Finding secure and suitable housing
- Accessing benefits and services
- Debt resolution and financial inclusion

In framing our submission, we acknowledged the global economic uncertainty but also highlighted the positives that continue to drive a well-functioning Irish economy.

We recognised the undeniable value of the temporary payments that had been a feature of recent budgets and cautioned about the impact of the anticipated withdrawal of these payments, given the extent to which they have supported many households living in, or at risk of, poverty. We proposed that more permanent supports be embedded for those who continue to struggle with high costs of living, poverty or social exclusion, unaffordable or precarious housing, or difficulty accessing public services.

We argued, for example, that predictable and routine costs for welfare recipients should be met through wider welfare provision, rather than the short-term once-off payments that many households had grown dependent on over the past three years.

Central to our submission was the view that welfare entitlements should be linked to objective criteria (such as Minimum Economic Standard of Living (MESL) costs, or inflation rates) rather than annual budgetary decisions. People's dependence on the temporary payments have raised questions around income adequacy in the face of ongoing high costs of living.

Budget 2026

The package of expenditure announced for Budget 2026 came to €9.4 billion, with €8.1 billion of this on increased spending, and €1.3 billion on tax measures. Key elements of the tax package include incentives for apartment construction and the delivery of a promised cut in the VAT rate for food-based hospitality.

The choices made in relation to current spending focussed on increased expenditure on public services and a welfare package that includes a €10 increase to core weekly welfare payments, with targeted payments for families and children.

In a break from the last three years, there will be no lump-sum welfare payments, apart from the Christmas Bonus which will be paid to long-term social welfare recipients.

CIB acknowledges the increased spending and welcomes the targeted welfare increases, the increased expenditure on public service delivery and the measures aimed at incentivising construction.

Specifically, Budget 2026 contains a number of measures that reflect concerns highlighted in the CIB Pre-Budget Submission (PBS). We reference these below. We also draw attention to matters that, based on feedback from our frontline services, merit further action.

Welfare, work and child poverty

Despite the increasing spend by the Department of Social Protection, core income support payments have not kept up with the rising cost of essentials over the past number of years. Research from the Vincentian MESL (Minimum Essential Standard of Living) Centre in 2025 showed the basic cost of living increasing by 18.8% from 2020 to 2025. Many clients who seek assistance from our frontline services report being unable to meet essential costs – covering the rent, affording the weekly shop, keeping the house warm or paying for childcare. In this regard, survey data from the CSO for 2024 showed a year-on-year increase in the at-risk-of-poverty rate (from 10.6% in 2023 to 11.7% in 2024) and an increase in consistent poverty (from 3.6% in 2023 to 5% in 2024).

We note the increase of €1.15 billion in the social protection package in Budget 2026, which will bring total expenditure of the Department to €28.9 billion. Within this, we welcome the €10 increase to core welfare payments, the increase in the weekly rate of Child Support Payments (to €58 for children under 12 and €78 for those over 12 from January 1st) and the 'Christmas bonus' double payment for long-term welfare recipients. However, many welfare recipients will struggle to meet essential household costs relative to previous years, given their reliance on the temporary supports provided in the past three years.

Energy costs

Our submission highlighted the extent to which MABS clients have accumulated arrears on energy bills over the past number of years, which many are still struggling to clear. While there have been lump sum payments to recipients of Fuel Allowance in previous budgets, the weekly rate has remained static since 2021.

We therefore welcome the targeted nature of the changes in relation to Fuel Allowance: the increase of €5 in the weekly rate (to €38) and the extension of the payment to recipients of the Working Family Payment (WFP), which will help working parents who are struggling to heat homes or pay utility bills.

We are also pleased to see that people with disabilities who take up employment will be able to retain the Fuel Allowance for up to five years, as they move off their Disability Allowance or Blind Pension.

Despite these targeted measures, however, we continue to have concerns about the extent to which the energy credits provided in previous budgets will have masked the impact of higher energy bills for many low-income households.

Income adequacy

We welcome the increase of €60 per week in income limits for Working Family Payment (WFP). This will allow working parents to earn more while remaining eligible for the payment and is necessary considering National Minimum Wage (NMW) increases in January 2026. It will also help to broaden eligibility for WFP.

The 5% increase in the NMW is also welcome, given that income adequacy is a key issue for low-paid workers. However, the new rate (€14.15) remains below the Living Wage Rate of €15.40. As noted in our Pre-Budget Submission, we were disappointed by the decision earlier in 2025 to delay the full implementation of the Living Wage from 2026 to 2029.

We had anticipated that the incremental increases in the NMW in recent years would have made the 2026 deadline attainable, as work is not providing the route out of poverty for many households. Of the almost 200,000 people earning the minimum wage, women, younger workers, and people with disabilities are disproportionately represented.

Child poverty

The Child Poverty Monitor 2025 found that children are the most likely group in Ireland to experience poverty. This analysis showed that the number of children in consistent poverty had increased quite substantially from 4.8% in 2023 to 8.5% in 2024.

In advance of Budget 2026, the Government approved a new National Child Poverty Target of 3% or less in consistent poverty, to be achieved by the end of 2030.

We welcome this focus on reducing child poverty and the specific target set, and we acknowledge the role that the targeted measures in Budget 2026 will play in working towards this. These measures are:

- Increases in the Child Support Payment
- Extension of the Back to School Clothing and Footwear Allowance to two and three-year olds
- Increased income threshold for WFP.

We are concerned however about the removal of the lump sum payments that mitigated increased costs for low-income households over the previous three years. The CSO analysis of SILC 2024 data highlighted the positive impact of cost-of-living measures on the at-risk-of-poverty rate: this was measured at 11.7%, rather than a projected 14.1% without the associated measures. Their removal, therefore, must give some cause for concern.

Childcare costs

Despite a previous commitment to progressively reduce childcare costs to €200 per month, we are disappointed that there were no specific budget measures to reduce the cost of childcare for working families. Feedback from services highlights people’s difficulties in finding and affording suitable childcare, which limits employment, education and activation choices.

We acknowledge, however, that the freeze on childcare fees at 2021 levels remains in place, and also the intention to introduce a revised “maximum fee cap” in September 2026 (the current rate being €295 per month). We look forward to the costing and roll-out of this provision in the new year.

Overall, the increased funding to the sector will focus on expanding access to childcare places, rather than reducing costs for parents. In line with this, we welcome the additional funding for the National Childcare Scheme which will support an extra 35,000 children (in addition to the 250,000 children currently enrolled) – with the caveat that concerns about staffing shortages expressed by the sector might hamper the achievement of this target.

Living with disability and illness

Feedback from our funded services continues to highlight income adequacy as a central concern for people with disabilities, with many people seeking information and assistance to maximise their income from an often-complicated mix of benefits – such as a core disability payment, secondary benefits and housing supports – which may be combined with low-paid work.

Some five years after the publication of the Cost of Disability report, our Pre-Budget Submission argued that the rationale for factoring in a recurrent cost-of-disability payment is stronger than ever. We would like to have seen the Government take the opportunity to introduce such a payment, particularly in light of the removal of the Disability Support Grant that had been paid over the past three years.

In 2025, the ESRI reported that people with disabilities experience a double economic penalty due to lower-than-average disposable incomes and higher-than-average expenditure (such as healthcare and transport). The removal of the temporary payments in 2026 will have a disproportionate impact on people with disabilities who are facing this double penalty – in addition to the higher costs of living. The Irish Wheelchair Association estimates that disabled people will be over €1,600 worse off annually after this year's budget, when compared with last year, due to the removal of the temporary payments.

We therefore urge the Government to formally take account of the extra costs of disability by factoring in a recurrent cost-of-disability payment as it considers options for the reform of disability payments. In this regard, we welcome Minister Calleary's statement to the media following Budget 2026 about examining the introduction of disability support payments in the context of Budget 2027.

More broadly, we welcome the recent publication of the National Human Rights Strategy for Disabled People 2025-2030 and look forward to progress on priority actions across government, including accessing transport, work, health services and housing, with oversight provided by the Cabinet Committee on Disability.

Living independently

Beyond income-support measures, our Pre-Budget Submission highlighted the difficulties for older people and people with disabilities in accessing the specific supports needed to live independently and with dignity in their own homes.

In this context, we welcome the increase of €215 million in the Department of Health's allocation for Older Persons Services (a 7.1% increase on 2025 funding). This includes a commitment to fund an extra 1.7 million Home Support hours (22% of which will be ring-fenced for dementia care) and 500 more nursing home places via the Fair Deal scheme. There will also be a 30% increase in funding for Meals on Wheels services. All this is much needed and most welcome.

Additionally, there will be a €618 million increase for Disability Services (a 20% increase to €3.83 billion) much of which will be focused on investment in the delivery of services and the achievement of pay parity for staff working within the sector.

We welcome the confirmation by Minister Chambers on Budget Day that a dedicated unit has been established in the Department of Children, Disability and Equality to lead a full review of Ireland's disability service model.

The allocation to disability services will also fund Home Support hours and Personal Assistance hours (providing 150,000 hours).

We also welcome the €10 million allocation to support the transition of people with disabilities under the age of 65 out of nursing homes to independent living in the community. This was a key concern raised by staff working with the National Advocacy Service in our Pre-Budget Submission.

Carers

The Government's intention to move towards abolishing the means test for family carers continued in Budget 2026, albeit with no specific roadmap. Nonetheless, we welcome the increase in the Carer's Allowance income disregard to €1,000 (€2,000 for a couple), which should expand eligibility for some family carers in the coming year.

We also note the €20 increase in Domiciliary Care Allowance (to €380 per month), with the flat rate increase of €10 (coming to a full-rate payment of €270 per week) and the double 'Christmas bonus' payment also benefitting carers. In January 2025, eligibility for Fuel Allowance was extended to Carer's Allowance recipients (as part of the previous budget), and so family carers will benefit from the €5 weekly increase in Fuel Allowance.

Affordable housing

The search for affordable and secure housing, particularly rental housing, is an ongoing concern for many thousands of people who access our funded services, as highlighted in our PBS.

We therefore welcome the 20% increase in funding to the Department of Housing and note that the focus of the €11.3 billion allocation is to incentivise the building of new homes, particularly apartments, and the provision of wider infrastructure to support this. However, this focus has meant that additional measures to alleviate the immediate pressures faced by renters and would-be homeowners is largely absent from this year's budget.

Given the ongoing dependence on the private rented sector to provide social housing, we are pleased to see the allocation of €2.9 billion to local authorities and Approved Housing Bodies to build 10,200 new-build social homes, in addition to 7,500 affordable and cost rental homes, along with funding for the delivery of 8,700 new Housing Assistance Payments tenancies (in addition to the 61,000 existing HAP tenancies).

We are disappointed that the opportunity was not taken to introduce a revised social housing eligibility model – as flagged by the Department for several years – which could help to address some acute difficulties. These include income thresholds and rental limits that are significantly out of step with current market rents, and inconsistences between local authorities in the definitions of assessable income.

In terms of sustainable living for homeowners, however, we are pleased to see a 30% increase in funding to local authorities (to €130 million) for the housing adaptation grant schemes, which is expected to support 17,000 applicants (an increase of 4,000 on this year). Our 2025 policy report, Home Comforts: A review of housing adaptation and energy upgrade grants, highlighted some reported difficulties in accessing these schemes, and we are hopeful that this increased allocation will alleviate some of these issues.

We welcome the publication of the Government's new housing plan, 'Delivering Homes, Building Communities 2025-2030'. We are pleased that this action-oriented plan affirms housing as a priority for Government. Given that many thousands of families and individuals are profoundly impacted by housing insecurity, unaffordability and supply issues - including a growing number forced to rely for long periods on emergency accommodation - we look forward to robust implementation of the plan over the next five years.

Conclusion

Budget 2026 contains some welcome steps towards embedding more targeted and sustainable measures to assist low-income households, through income support and public service provision.

On a broad level, the move away from providing once-off payments in favour of more predictable and targeted measures is a welcome development. This is a move that must be significantly progressed in forthcoming budgets in order to mitigate the pressures felt by many households who had come to rely on the temporary supports. The withdrawal of such payments, while inevitable, raises concerns about the immediate impact on households still grappling with high living costs.

We also acknowledge progress in several areas, including steps to broaden access to childcare, the expansion of the Fuel Allowance scheme, increased provision for home supports and increased funding to support the reform of housing adaptation grants.

Some of the concerns that CIB drew attention in our PBS nevertheless continue to need attention. In this regard, we note the decision not to introduce a cost-of-disability payment, limited measures to address childcare affordability, no reform of social housing eligibility and the continued delay in implementing the Living Wage.

It is vital that future budgets build on the foundations of this first budget in the current Programme for Government – and on the intentions set out in that Programme. In this regard, CIB would like to see a clear focus on adequacy, equity and accessibility. This should improve the wellbeing – through enhanced income, employment, housing security and tailored health and welfare supports – of those currently experiencing (or at risk of) poverty and exclusion.

Our frontline services offer essential supports to people who are experiencing poverty, precarity (of income, housing or employment) and (relatedly) struggles with wellbeing and social exclusion. These services offer CIB invaluable insight into the challenges people face on a daily basis, particularly when in situations of vulnerability. It is this insight which enables CIB to meet its statutory responsibility to feedback to Government on people's experience of public services.

It is incontestable that, in order to live fully dignified, connected and positive lives, families and individuals need access to affordable and permanent housing, an adequate income, and accessible and responsive public services (including health, education and welfare services) tailored to their needs. When these elements are not all present – as our frontline services can and do testify – people can find themselves isolated, anxious and with impaired wellbeing.

CIB trusts that the Government's understanding of this – and its commitment to tackle some of Ireland's most acute inequalities and to respond to the basic needs of all its citizens and residents, thus promoting a healthy and well-functioning society for all – will inform forthcoming budgets and the broader national policy agenda.