Citizens **Information** Board
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Budget 2027: A Citizens Information Board Policy Review

October 2026

Introduction

The measures put forward by Government in Budget 2027 reflect some of the concerns highlighted by CIB in our Pre-Budget Submission 2027. Here we outline these key budgetary measures in the context of the issues highlighted and recommendations made in our submission.

CIB Pre-Budget Submission 2027

The CIB Pre-budget Submission 2027 was based on data and evidence provided by Citizens Information Services (CIS), the Citizens Information Phone Service (CIPS), the National Advocacy Service (NAS), and the Money Advice and Budgeting Service (MABS). It drew on the queries and experiences of almost 550,000 callers who used these frontline services across the country during 2025. This level of engagement with hundreds of thousands of callers and clients has generated unique insights into the impact of policy (and the administration of policy) on people who are seeking to access public services.

Our submission described the advice and assistance needs of clients of CIS and CIPS in relation to the challenges facing low-income households (including people with disabilities, carers and lone parents) and people seeking affordable and secure housing. It also looked at the financial stresses facing many low-income households, in the context of meeting essential living expenses and maintaining repayments, as informed by the experiences of MABS clients and advisers nationwide.

The feedback from services continues to provide data on the gap between incomes and high costs of food, energy and housing. This gap was acutely felt by low-income households following the withdrawal after three successive budgets of temporary cost-of-living supports in Budget 2026. The conflict in the Middle East during 2026 has continued to have an impact, with many CIS and MABS clients feeling the pressure of rising fuel and energy costs.

Budget 2027

The broad measures announced in Budget 2027 amounted to a total spending package of €8.5 billion, with key elements focussed on increased current spending, income tax reductions, and an additional €1 billion committed to the Future Ireland Fund. CIB acknowledges the increased spending made available in Budget 2027 to key departments such as social protection, health and housing. However, we note the concerns raised by the Irish Fiscal Advisory Council (Flash

Release, Budget 2027, IFAC) in relation to a reliance on corporation tax for such increased levels of public spending.

Income support and adequacy

A key element of our Pre-Budget Submission focused on income support and adequacy for the many thousands of callers to our frontline services. The Vincentian Partnership for Social Justice's research on the Minimum Essential Standard of Living (MESL) showed that core MESL costs increased by 23.6% from 2020 to 2026 and that home energy costs have doubled in that time.

In this context, we recommended that core social welfare rates should be benchmarked against MESL costs. We also noted the commitment in the Roadmap for Social Inclusion 2026 – 2030 to explore the costs and benefits of benchmarking all core social welfare rates annually from next year. However, we stressed that a move on benchmarking in the short term was required given the rising energy costs.

In terms of the measures that were provided by way of income supports, we welcome the €10 increase to weekly social welfare rates, the increase in the rates of Child Support Payment (CSP), changes to the income threshold for Working Family Payment (WFP) and also the increases in the earnings disregard for some payments (One-Parent Family, Jobseeker's Transitional and Disability Allowance). Reports from CIS, CIPS and MABS indicate that clients frequently experience financial difficulty where regular household income is insufficient to meet essential expenditure. For households managing competing costs associated with food, heating, housing and debt repayments, the additional supports provided in Budget 2027 will be helpful, but it is unlikely that they will mitigate the financial pressures measurably.

Child poverty

While we welcome the changes to the schemes mentioned above including the child targeted measures, we believe that new policy measures will be needed if the Government is to reach its target of 3% for consistent child poverty by 2030. In the context of the Budget 2027 changes, we note that the ESRI analysis of the impact of Budget 2027 highlighted that the overall effect of the child targeted measures (changes to CSP, WFP, and childcare subsidies) will be to hold child poverty "relatively constant" and that "many more measures directed at children will be necessary" to achieve this target. This reflects our view, as stated in our submission, of the need to embed targeted, permanent and cross-cutting measures into annual budgetary cycles if the 3% target is to be reached by 2030.

We regret that the Government did not use Budget 2027 to introduce a second-tier child benefit payment, which has been consistently presented as an effective means to reduce child poverty (and initially recommended by the Commission on Taxation and Welfare in 2022). A 2026 report from the ESRI found that a means-tested second tier payment would reduce child poverty more effectively, per euro spent, than increasing existing supports. CIB made a submission to the 2026 public consultation from the Department of Social Protection on the introduction of such a payment. While we recognise that there are many elements involved in its introduction (such as income thresholds, means testing and interaction with other payments) we trust that the necessary scoping work will be complete within the next budgetary cycle and look forward to its introduction in Budget 2028.

Changes to the National Minimum Wage

Beyond income supports, we welcome the 5.6% increase in the National Minimum Wage (NMW) as feedback from our frontline services indicates that employment is not providing a route out of poverty for many low-income working households. MABS highlight that for many of their clients in low-paid or part-time employment, the minimum wage increase may provide some additional income, but the overall benefit will be limited by the number of hours worked. Similarly, those with restricted capacity to work due to illness, disability or caring responsibilities may see little direct benefit from these measures. We also note that recent research - ESRI, March 2026 - showed there was no evidence that NMW increases over the years 2016 to 2025 increased the likelihood of employers laying off existing minimum wage employees.

Regrettably, the new NMW rate continues to lag behind progress towards the Living Wage rate: defined as the average gross salary required for a single adult, working full-time, to afford a socially acceptable minimum standard of living (Living Wage.ie). More significantly we regret the policy change to not meet the Living Wage implementation timeline (set in 2025) of 2029.

Childcare costs and provision

Childcare costs are relevant in any discussion of child poverty. We welcome the reduction in the monthly cap on maximum fees paid for those using formal childcare and also the increased subsidies to parents via the National Childcare Scheme. These measures (which will be implemented in September 2027) should have some impact on the affordability of childcare for households who are currently stretched and making difficult choices in trying to balance work and childcare costs. However, MABS services highlight that it remains unclear whether the reduction will be sufficient to make returning to work financially viable for a large portion of their

clients. For those whom potential employment is low-paid, childcare costs could absorb a significant proportion of earnings and therefore not justify the return to work.

While the budget measures will help address affordability, availability of childcare places is also a challenge for many parents. Feedback from CIS and CIPS indicates that a lack of childcare places, particularly for babies and younger children, is a key concern. Parents report that some crèches do not accept children under 12 months, while waiting lists of 18 months or more have been reported in some areas. This lack of places significantly restricts parents' options and, in some cases, prevents them from returning to work or leads them to consider reducing working hours. It also reflects some of the systemic challenges for providers of early childhood care and education, including staff recruitment, retention and progression problems, a lack of coherent investment across the sector and a diversity of providers, both commercial and community based.

Cost of disability

During 2026, CIB made a submission to DSP on the design and development of a cost-of-disability payment. Our Pre-Budget Submission 2027 called for the introduction of an interim cost-of-disability payment pending the development of a permanent scheme. We considered this to be particularly important given the impact of the withdrawal of the temporary supports in Budget 2026 on households with disabled people.

We welcome the move by Government to finally establish the principal of a cost-of-disability payment in Budget 2027, with the payment of €500 in the first quarter of 2027 to recipients of Disability Allowance, Invalidity Pension, Partial Capacity Benefit and Blind Pension. We trust that the whole-of-government approach being adopted to address the range of costs experienced by disabled people will progress to specific measures within the next budgetary cycle. These measures should involve a specific income support payment but also look at improving the delivery of, and access to, key public services such as health, education and transport for people with disabilities.

In the context of supporting disabled people in the workplace, we welcome the specific measures to be introduced by DSP in relation to the Wage Subsidy Scheme (WSS): a reduction in the minimum hours worked (from 15 to 8) and also the expansion of the scheme to recipients of Partial Capacity Benefit and Illness Benefit. Over the years, our funded services have noted the potential positive impact of the WSS in incentivising employers to hire people with disabilities but have highlighted concerns around eligibility criteria and awareness. We also welcome the €10 increase in the earnings disregard for Disability Allowance recipients, which will increase to €175 per week from July 2027.

Disability services

Feedback from staff in the National Advocacy Service in our Pre-Budget Submission highlighted the difficulties experienced by disabled people in accessing appropriate housing and support services to enable them to live independently in their communities. The submission called for increased funding to provide supported and community-based housing to prevent further admissions to inappropriate institutional settings and to increase the pace of decongregation. We welcome the additional funding committed to disability services (with the overall budget expected to exceed €4 billion) and we look forward to seeing how this will translate into increased provision for residential, personal assistance, respite and day services.

Energy poverty

Our submission identified energy poverty as a major and growing concern for clients using our frontline services, with rising fuel, electricity and heating costs placing pressure on low-income households, older people and people with disabilities. The submission highlighted problems for clients in accessing Fuel Allowance and the Warmer Homes Scheme and suggested that current eligibility criteria exclude some households experiencing energy hardship.

Fuel Allowance

Budget 2027 provides welcome but limited support for immediate energy costs and for longer-term energy efficiency measures. We welcome the €5 increase in Fuel Allowance (FA) which brings the allowance to €43 per week. We are also pleased to see the increase in the income limit for a single person aged 66 or over from €534 to €640.80, as our previous submissions have highlighted specific difficulties for older adult households being just outside of the income limits for eligibility.

Feedback from MABS highlights that it is not uncommon for their clients to be in arrears of hundreds, if not thousands, of euro on their utility bills. This indicates that current energy prices are beyond the financial capacities of many seeking help in MABS and CIS and that the increase in Fuel Allowance is insufficient for many households to meet the costs of an essential need. Additionally, there continue to be financially vulnerable customers who remain outside of the eligibility criteria for FA and are therefore deprived of this crucial support.

Energy costs

The reduction in carbon tax on kerosene and natural gas to 2023 levels (€48.50 per tonne of CO_2) is welcome, as a limited measure to mitigate increasing energy costs for households

under pressure. MABS noted that any reduction is valued in particular by those living in rural areas who may be more reliant on kerosene for heating and have fewer alternative sources available to them. However, the estimated saving of €43 on 1,000 litres of kerosene is relatively modest, particularly for a household with a low BER. In addition, we would note that this reduction and the commitment to keep it at this level for the lifetime of this Government presents a challenge for Government policy on energy transition: the plan to scale up carbon tax to €100/ tonne by 2030 has been provided for in legislation and is linked to Ireland's legally binding climate target.

Home energy upgrades

The allocation of €654.5 million for home energy upgrades, alongside enhanced retrofit and solar supports, is particularly welcome. However, this represents only a modest increase of 2% on last year's budget allocation. It is hoped that the additional SEAI funding will be used to address some of the longstanding difficulties with the Warmer Homes Scheme, specifically the lengthy waiting times. Our submission highlighted how these waiting times are impacting many CIS and MABS clients and operate as a barrier for those who are experiencing energy poverty.

The increase in the annual tax exemption on household microgeneration income from €400 to €600 is welcome and reflects a recommendation made by MABS in our submission. However, due to the upfront costs of installing solar (and the ineligibility of renters) many low-income households are unlikely to benefit from this measure. While a positive development, greater consideration is needed to ensure that lower-income households can also access the financial benefits of renewable energy.

Housing

Housing continues to be one of the most important issues reported by staff across all frontline services. Our submission highlighted the key concerns for clients: a scarcity of affordable housing options across the country, real risks of eviction and homelessness, difficulties accessing Housing Assistance Payment (HAP) and outdated social housing income thresholds. We recommended revising HAP limits, reforming social housing eligibility criteria and increasing local authority resources.

Our submission highlighted the importance of increasing the State's direct investment in social and affordable housing, with the long-term aim of providing a greater supply of secure and affordable housing and reducing reliance on the private rented sector. We therefore welcome the Budget commitment to build 11,000 new social homes, backed by investment of over €3 billion. Continued focus on achieving these targets on an annual basis will be key to

strengthening the supply of social housing and, over time, reducing the need for expenditure on social housing subsidies. We also welcome the allocation of €1 billion to the Starter Homes programme, which is expected to deliver 8,500 homes through affordability measures, including the First Home Scheme and Help to Buy.

Social housing assessment model

Although Budget 2027 provides for increased capital investment in social housing, it is unfortunate that there were no proposals advanced in relation to a new social housing income eligibility model, which has been repeatedly promised for a number of years. The need for a new model was recommended in 'Housing for All' and we understand that the Department of Housing continues to examine the 2021 Housing Agency review of the current system. We note Minister Browne's recent Dáil statement (Dáil Debates, Housing Provision, 1 Oct 2026) that "*the analysis will be concluded shortly to facilitate a final determination on next steps. I am also keen to put in place a more structured and frequent process for the review of these limits going forward*". As stated in our submission, while a revised eligibility model would not be a panacea for the current difficulties in the provision of social housing, it would help to reflect the reality of the housing market and ease some of the immediate pressures on tenants.

We are hopeful that any review of the model will address two key issues highlighted in our PBS: ensuring consistency across local authorities in the definitions of assessable income and the revision of HAP limits to reflect market rents, given that it is ten years since the limits were reviewed.

Rent Tax Credit

We are pleased to see an increase of €150 in the Rent Tax Credit for people who are renting privately (€300 for jointly assessed couples). While any relief provided to tenants is welcome, MABS services have highlighted that the impact on those experiencing rent affordability issues is likely to be limited, given the prevalence of universally high rents. In addition, we note that low-income renters may not be earning enough to claim the credit; HAP recipients who must pay rent 'top-ups' to landlords are not eligible; and tenants whose landlords are not registered with the RTB are unable to claim it.

Debt Resolution and Financial Inclusion

Our Pre-Budget Submission highlighted the priorities proposed by MABS in relation to debt resolution and financial inclusion: the provision of affordable credit, access to essential financial services, financial capability and effective consumer protection. Our

recommendations were focussed on key asks: reform of the Central Credit Register to better support financial recovery following debt resolution, improved access to affordable credit initiatives, continued protection of cash and in-person banking services, and stronger safeguards for Buy Now Pay Later products.

Budget 2027 provides for a legislative framework for a new investment account. Unfortunately, due to the rising cost of living, many low-income households have limited capacity to set money aside after meeting essential expenditure. We feel that the introduction of a targeted savings initiative for low-income households would have complemented the new investment account and demonstrated that a more equitable approach had been taken.

More broadly, MABS argue that further progress is necessary to enhance financial inclusion. Access to affordable credit is important for households with little or no savings who may be forced to rely on expensive borrowing when an unexpected expense arises. It is arguable that developments made in this area could mitigate the poverty premium experienced by low-income households. Through a combination of such affordable borrowing options and saving schemes, the State would be able to ease the threat of households falling into unmanageable debt.

Conclusion

Budget 2027 represents a positive commitment to supporting households through increased spending on social welfare payments, investment in social and affordable housing, enhanced childcare supports and, crucially, recognition of the additional costs associated with disability. Many of the measures reflect priorities identified in our submission and should provide greater levels of support to households experiencing financial pressures in the coming year.

However, evidence from our services demonstrates that many households will continue to face considerable pressures in meeting the costs of housing, energy, food and childcare. Progress will be required in future budgets to ensure that income supports keep up with basic living costs and that ambitious Government targets in areas such as child poverty, housing delivery, disability costs and energy poverty are realised.

Our frontline services provide essential supports to people experiencing difficulties in accessing public services. Their daily encounters with people across the country provide us with valuable evidence of the impact of policy and public service delivery on peoples' lives. These insights are central to our statutory role in informing Government about people's experiences of accessing and navigating public services.