

The Society of St Vincent de Paul's  
Pre-Budget Submission 2018

JUNE 2017

# Bridging the Gap



Society of St Vincent de Paul



## **Mission Statement**

The Society of St Vincent de Paul is involved in a diverse range of activities characterised by:

### **Support and friendship**

Through person-to-person contact, we are committed to respecting the dignity of those we assist and to foster their self-respect. In the provision of material and other support, we assure confidentiality at all times and endeavour to establish relationships based on trust and friendship.

### **Promoting self-sufficiency**

We believe it is not enough to provide short term material support. Those we assist must also be helped to achieve self-sufficiency in the longer term and the sense of self-worth this provides. When the problems we encounter are beyond our competence, we enlist the support of others more specialised.

### **Working for social justice**

We are committed to identifying the root causes of poverty and social exclusion in Ireland, and, in solidarity with poor and disadvantaged people, to advocate and work for the changes required to create a more just and caring society.

The Society of St Vincent de Paul's  
Pre-Budget Submission 2018

# Bridging the Gap: Investing for an equitable future

June 2017



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## Foreword from SVP's National President

The past twelve months have been marked by economic growth, falling unemployment and continued job creation. However, it is clear from SVP members on the ground that the most vulnerable in our society are not experiencing the benefit from these improvements. The Government must learn the lessons from the economic and social damage that has been caused by the cycle of boom and bust and ensure that the same mistakes are not repeated.

Since the establishment of the Society in Ireland in 1844, it has helped people in need through a Famine, a War of Independence, a Civil War, two World Wars and several economic recessions. While the political and social landscape has changed, given the current challenges facing Ireland today – the words of our founder, Fredrick Ozanam, remain relevant:

**"The question which is agitating the world today is a social one. It is a struggle between those who have nothing and those who have too much. It is a violent clash of opulence and poverty which is shaking the ground under our feet."**

Our members regularly visit individuals and families who are experiencing the stress and challenge of homelessness, rising rents, insecure tenancy arrangements, the threat of homelessness, and making do in poor quality and inadequate housing. The long-standing problems of low income, coupled with the costs of education and energy, and lack of services, have made life more challenging for an increasing number of households, both in and out of work.

The inequalities of past and present will deepen unless we address the current deficits in our public services and infrastructure. SVP wants to see a roadmap from Government for all Irish society which ensures we are heading towards a positive and equitable future – where every child has a warm secure home, does not go to school hungry, is included among their peers and receives all the necessary resources and supports at home, at school, and in their communities to achieve their full potential.



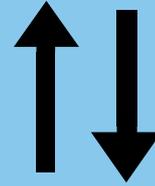
Kieran Stafford  
National President, The Society of St Vincent de Paul  
June 2017

# AN UNEQUAL NATION



## GROWING GAPS IN INCOME

Income share increased by 20% for the top 1% and fell by 15% for the bottom 50% (2014-2015)



## INADEQUATE STANDARD OF LIVING

25% ↑

Increase in the number of working households qualifying for social housing



More than **91,000** households are in need of social housing and over 2,700 children are currently homeless



**1 in 4** one parent families are living in consistent poverty

145% ↑

Increase in the proportion of people who cannot afford to adequately heat their home (2008-2015)

## LIMITED OPPORTUNITIES

5 X

Children from disadvantaged backgrounds are **five times** more likely to perform poorly in science, reading and maths compared to their advantaged peers

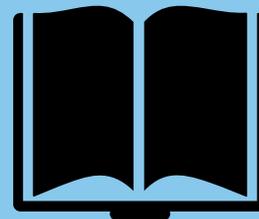


840

Is the average cost for a secondary school student



As little as **15%** of young people living in deprived areas go to third level compared to up to **90%** of young people living in affluent areas



130,000

Requests for assistance to SVP (2016)



€ 33m

Spent by SVP providing direct assistance to individuals and families (2015)

# Summary of SVP's Priorities for 2018

## Housing

	Responsible Department
<b>Short term actions</b>	
<ul style="list-style-type: none"> <li>Increase Rent Supplement and Housing Assistance Payment limits to realistic levels so they are in line with market rents, as a homelessness prevention measure, and to protect tenants from having to make unsustainable top-ups.</li> </ul>	DSP & DHPCLG
<ul style="list-style-type: none"> <li>Expand the Homeless HAP programme to other urban areas beyond Dublin. People receiving HAP should be able to remain on the housing list and their place should not be compromised.</li> </ul>	DHPCLG
<b>Long term investment – Build and acquire affordable quality social housing</b>	
<ul style="list-style-type: none"> <li>Increase investment to fund the building and acquiring of social housing units, including through the Repair and Leasing Scheme. The continued reliance on the private rental sector to meet social housing needs is not a sustainable solution.</li> </ul>	DHPCLG
<b>Invest in measures to improve the quality and security of private rented accommodation</b>	
<ul style="list-style-type: none"> <li>Link tax incentives for landlords to conditionality such as greater security of tenure, longer tenancy agreements and higher quality of accommodation.</li> </ul>	DHPCLG
<ul style="list-style-type: none"> <li>Ensure sufficient resources for Local Authorities to conduct the requisite levels of inspections of private rental properties to enforce current minimum standards for rental properties. Protection should be assured for tenants against adverse consequences from the outcome of any inspection.</li> </ul>	DHPCLG
<ul style="list-style-type: none"> <li>Put in place legislation to ensure that where there is repossession of buy-to-lets by financial institutions, the rights of sitting tenants will be protected.</li> </ul>	DHPCLG

## Energy

	Responsible Department
Invest in quality and energy efficiency of the private rented sector	
<ul style="list-style-type: none"> <li>Extend the Warmer Home Scheme to landlords who agree to make their properties available to HAP participants for at least three years.</li> </ul>	DCCAE
<ul style="list-style-type: none"> <li>Invest in analysis of which initiatives are proving most effective, including identifying barriers to uptake of schemes. Based on this analysis, design an appropriate and tailored dissemination and outreach initiative/campaign towards the vast number of households that are eligible to avail of the Warmer Home Scheme and those that are most vulnerable.</li> </ul>	DCCAE
<ul style="list-style-type: none"> <li>Pilot Community Energy Advisors to engage and inform hard to reach energy users who would most benefit from energy efficiency and advice programmes.</li> </ul>	DCCAE
<ul style="list-style-type: none"> <li>Publish the research and consultation on minimum energy efficiency standards in the rented sector, as outlined in the <i>Strategy to Combat Energy Poverty 2016-2019</i>.</li> </ul>	DCCAE
Prioritise measures to address energy affordability among low income households	
<ul style="list-style-type: none"> <li>Increase the current rate of the Fuel Allowance by €6.50 to restore purchasing power parity of 2010 levels.</li> </ul>	DSP

## Education

	Responsible Department
<p><b>Give children the best start in life by continuing to invest in quality early years care and education</b></p>	
<ul style="list-style-type: none"> <li>Invest in quality measures for the childminding sector, including regulation, training, development of minimum standards, and inspections. This will promote better outcomes for children and facilitate greater choice for parents.</li> </ul>	DCYA
<p><b>Address rising school costs to reduce the financial burden on parents and eliminate barriers to participation for disadvantaged children</b></p>	
<ul style="list-style-type: none"> <li>Make Child Benefit payable to families with children over the age of 18 who are enrolled in secondary school, reflecting the higher educational costs for families with adolescents.</li> </ul>	DSP
<ul style="list-style-type: none"> <li>Restore the Back to School Clothing and Footwear Allowance to the 2011 level of €305 for children over 12 years, and to €200 for children under 12 years.</li> </ul>	DSP
<ul style="list-style-type: none"> <li>Increase funding for the School Book Rental Scheme by €15 million and implement the recommendation from the Joint Committee on Education and Social Protection (2013) to introduce a five-year template for the delivery of an entirely free school book scheme.</li> </ul>	DES
<ul style="list-style-type: none"> <li>End the practice of ‘voluntary’ contributions by providing adequate funding to schools. In addition to the restoration of capitation rates, SVP recommends an additional €20 million funding should be allocated to classroom resources.</li> </ul>	DES
<p><b>Facilitate access to, and participation in, further and higher education for disadvantaged and non-traditional students</b></p>	
<ul style="list-style-type: none"> <li>Increase maintenance grant rates to bring them in line with the cost of living. As a first step, reverse the cuts to the student grant implemented in 2011 and 2012 and restore the distance of the adjacent grant to 24km from the current distance of 45km.</li> </ul>	DES
<ul style="list-style-type: none"> <li>Expand eligibility to the Fund for Student with Disabilities, the Student Assistance Fund (SAF) and the Maintenance Grant to part-time students.</li> </ul>	DES
<ul style="list-style-type: none"> <li>Reverse the decision to means test income from part-time work for those in receipt of the Back to Education Allowance.</li> </ul>	DSP

## Income Adequacy

	Responsible Department
<b>Address the high poverty rate among lone parents by removing current barriers to education and employment</b>	
<ul style="list-style-type: none"> <li>Increase the earning disregard for the One Parent Family Payment/Jobseekers Transition Payment to €146.50 to allow lone parents to take up and increase working hours.</li> </ul>	DSP
<ul style="list-style-type: none"> <li>Allow lone parents in employment whose children are aged between 7 and 14 to receive both the Jobseekers Transition Payment and Family Income Supplement if they meet the qualifying criteria.</li> </ul>	DSP
<ul style="list-style-type: none"> <li>Address the anomaly by which lone parents in receipt of Rent Supplement and the One Parent Family Payment/Jobseekers Transition Payment, who want to take up education or training, are not eligible for SUSI maintenance.</li> </ul>	DSP & DES
<b>Introduce targeted measures that differentiate between children's needs</b>	
<ul style="list-style-type: none"> <li>Introduce a higher rate of the Qualified Child Increase for all social welfare payments to families with dependent children over the age of 12 years. The new rate should be increased by €5.00, bringing the payment to €34.80. This would be a first step to addressing the higher costs faced by families with older children.</li> </ul>	DSP
<b>Improve income supports for children and families living in Direct Provision</b>	
<ul style="list-style-type: none"> <li>Increase the weekly allowance of children in Direct Provision by €14.20 to €29.80 and the rate for adults by €19.64 to €38.74 as recommended by the Working Group on the Protection Process.</li> </ul>	DSP & DJE
<b>Reduce the financial hardship placed on low income households</b>	
<ul style="list-style-type: none"> <li>Increase the budget for the Exceptional Needs Payment by €20 million to ensure that a total budget of €50 million is available to cover exceptional needs for individuals and families on a low income.</li> </ul>	DSP

## Bridging the Gap: Investing for an equitable future

SVP again calls on Government to prioritise investment in services over tax cuts. The 3:1 ratio of investment in services to tax cuts, particularly in education, housing and social protection, under Budget 2017 was welcomed. These areas, however, require significant investment over the longer term. This will be dependent on public investment being prioritised over tax cuts for the foreseeable future.

A history of underinvestment in services has led to an overreliance on the market to provide essential services. Between 2008 and 2014 investment in new social housing fell by almost 90%.<sup>1</sup> Over the same time period, education witnessed declining investment as spending fell from 5% of GDP in 2008 to 4.3% in 2014 – below the EU average of 4.9%.<sup>2</sup> This approach has contributed to inadequate public infrastructure, impacting on the extent to which people can take up employment, make work pay and stay out of poverty.

SVP is aware of the impact that the dramatic cutbacks to services during the recession has had on those most in need of quality services. SVP members see first-hand the impact of the housing and homelessness crisis, educational disadvantage, and how living on low incomes affects individuals and families across Ireland. Being priced out of rental housing; disadvantaged by underfunded school services; remaining in emergency accommodation for long periods of time; inadequate, poor quality housing and limited access to further and higher education; blight too many lives and prevent many from reaching their potential.

It is vital that equality is central to budgetary decisions both now and in the future. International evidence demonstrates economic models that promote equality, result in improved living standards for all, full employment and provide high quality public services while simultaneously reducing inequalities in income and wealth and increases economic growth (OECD, 2014).<sup>3</sup> SVP asks the Government to invest in services and focus on improving social and economic equity to deliver more inclusive growth. SVP wants to see a balanced and integrated approach to long term social planning and investment to ensure appropriate service provision to meet the emerging demographic trends. The Society calls on the Government to prioritise investment in housing, education, energy efficiency measures as well as targeted income supports for those at the furthest margins of society.

Now is the time for Government to bridge the gaps to ensure the rewards of economic growth are shared among all people.

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<sup>1</sup><http://www.ucd.ie/geary/static/publications/workingpapers/gearywp201615.pdf>

<sup>2</sup><https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-ireland-en.pdf>

<sup>3</sup><https://www.oecd.org/social/Focus-Inequality-and-Growth-2014.pdf>

## Housing

### The imperative for urgent action

The homelessness crisis is exacerbated by the acute shortage of social and affordable houses. As of December 2016, the total number of households qualifying for social housing stood at 91,600, representing a doubling since 2005.<sup>4</sup> This number however excludes those in receipt of Housing Assistance Payment (HAP), who are deemed to have had their housing need met. As of end of Q1 2017, this amounted to almost 21,000 households.<sup>5</sup>

#### Homelessness

The number of people registered as homeless continues to increase as the homelessness crisis shows no sign of abating in 2017. There are also many others who are, in fact, without a home of their own but not recorded as such, and are 'doubling up' with relatives or 'sofa surfing' in the homes of friends or extended family – the so called 'hidden homeless'.

Living in emergency accommodation means that families are unable to experience a normal home environment and to participate in the life and activities of a regular community. Throughout 2016, SVP members increasingly assisted families in hotels and B&Bs. These families typically do not have access to cooking facilities, and may be forced to rely on take-outs and convenience foods, with the resultant nutritional and health implications. They also often don't have control over where they are located, and children may find themselves in hotels at a significant distance from their school.

**"We have been living in a B&B in west Dublin in 'emergency' conditions for over four months, my four children, partner and myself. All in one room. There is also a fridge which one of the staff in the B&B gave us last week. We had no choice but to accept emergency accommodation. I have tried to find a house to rent but when landlords hear that we are on rent supplement and have young children they are not interested. I have been on the housing list for seven years."**

*(Letter from a parent experiencing homelessness supported by SVP, 2016)*

The Dublin Region Homeless Executive spent almost €50 million on emergency accommodation for homeless families in 2016. Most homeless families are hosted in temporary accommodation at a cost to the public finances that exceeds that which would arise from the provision of social housing solutions.<sup>6</sup> The Government has made a commitment to end the use of hotels and B&Bs, except in limited circumstances, by July 2017. New models of emergency accommodation for families who are homeless, for example, 'family hubs,' are currently being initiated as a means of achieving this objective. Initiatives to provide new forms of emergency accommodation should be seen as interim measures, complementing the provision of long term housing. SVP calls on the Government to avoid a situation where families are living in non-commercial congregated emergency accommodation for extended periods of time.

<sup>4</sup><https://www.housingagency.ie/Housing/media/Media/Publications/Summary-of-Social-Housing-Assessment-Needs-2016.pdf>

<sup>5</sup><http://www.housing.gov.ie/housing/social-housing/social-and-affordable/overall-social-housing-provision>

<sup>6</sup><https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-ireland-en.pdf>

### *Housing shortage and rising rents*

One of the initiatives for those in need of longer term housing support is HAP. There is typically a significant gap between the rents which landlords set and the support available under HAP. While HAP and Rent Supplement limits were increased in 2016, they still fall short of the level of market rents. There is a clear need for these to be re-examined and increased. A 'snapshot' survey by the Simon Community, showed that 88% of properties advertised for rent were beyond the rent limits set down under Rent Supplement and HAP.<sup>7</sup> Continually rising rents are leading to situations of economic homelessness as the private rental sector is moving further out of reach for low income, and increasingly average income, families.

If a household is unable to find a home within the limits they might decide they have no option but to pay the difference themselves. This can result in people taking on a tenancy that they ultimately cannot afford and are at risk of losing. SVP assists people prioritising their rent payments and going without food, heating and other essentials. Families that are homeless and living in the Dublin region can apply for Homeless HAP, which allows for the payment of an additional 50% on the set HAP limit, and is contributing towards an exit from homelessness.

**"I really struggle to heat our home in the winter, to buy adequate amounts of healthy food, to pay transport cost to and from college and work. I am already constantly in chronic arrears on my RAS (Rental Accommodation Scheme) rent, gas, electricity, childcare etc and just juggle them about from month to month. I am very aware that I am one of the lucky ones!! I'm terrified that if I get very ill or my landlord backs out of RAS or doesn't renew we will end up homeless and without hope."**

*(Lone Parent, September 2015)*

**Budget Priority 1:** Increase Rent Supplement and Housing Assistance Payment limits to realistic levels so they are in line with market rents, as a homelessness prevention measure, and to protect tenants from having to make unsustainable top-ups.

**Estimated cost:** €15-20 million.

**Budget Priority 2:** Expand the Homeless HAP programme to other urban areas beyond Dublin. People who receive HAP should be able to remain on the housing list and their place should not be compromised.

<sup>7</sup>[http://www.simon.ie/Portals/1/EasyDNNNewsDocuments/160/LockedOutVII\\_SimonCommunity.pdf](http://www.simon.ie/Portals/1/EasyDNNNewsDocuments/160/LockedOutVII_SimonCommunity.pdf)

## Moving towards sustainable solutions

### *Address the shortage of social and affordable housing*

There is an urgent need for long term and sustained prioritisation and investment to increase supply of social and affordable housing. There remains an overreliance on the private rental sector. While 12,000 HAP tenancies were created in 2016, only 5,280 social houses were built, refurbished or acquired.<sup>8</sup> Furthermore, with just 3,084 properties available to rent nationwide on 1st May 2017, down from almost 4,000 three months previously, the shortage of supply is a significant issue and concern.<sup>9</sup> As of May 2017, 10,072 new social housing units are planned for the coming years.<sup>10</sup> While a welcomed increase, this still represents a significant shortage. As many as a quarter of all tenancies are reliant on housing support. Within such a context, SVP recognises the role that vacant properties can play and calls for initiatives, such as the expansion of the Repair and Leasing scheme, to be sufficiently supported.

SVP is concerned that a household which enters the HAP scheme is deemed by the local authority to have had its housing need met, and is therefore taken off the waiting list for social housing. While tenants can opt to go on the 'transfer list' when in receipt of HAP, it remains unclear how this is working in practice and will apply across different Local Authorities. Access to social housing offers greater security of tenure and affordability and is a more appropriate and sustainable mechanism for meeting long term social housing needs.

**Budget Priority 3:** Increase investment to fund the building and acquiring of social housing units, including through initiatives such as the Repair and Leasing Scheme. The continued reliance on the private rental sector to meet social housing needs is not a sustainable solution.

### *Quality and security of housing*

The work of SVP members at local level brings them into contact with many individuals and families experiencing totally unacceptable housing conditions. Fear of eviction often makes them reluctant to approach their landlord. Evidence from the inspection of private rented properties by Local Authorities confirms the picture gained by SVP members.

**“Our Conference is supporting a family, parents and three children, with school related costs and food deliveries. There are no curtains, badly worn and dangerous floor covering, no basket in the fireplace, and the central heating is not working. The rent was raised to €1,100 per month and the family had to leave as they could not afford to pay.”**

*(SVP Member, East Region, September 2016)*

<sup>8</sup><http://rebuildingireland.ie/news/rebuilding-irelands-second-quarterly-progress-report/>

<sup>9</sup><https://www.daft.ie/report/2017-Q1-rental-daft-report.pdf>

<sup>10</sup>[http://www.housing.gov.ie/sites/default/files/publications/files/rebuilding\\_ireland\\_-\\_social\\_housing\\_construction\\_status\\_report\\_-\\_q1\\_2017.pdf](http://www.housing.gov.ie/sites/default/files/publications/files/rebuilding_ireland_-_social_housing_construction_status_report_-_q1_2017.pdf)

More needs to be done to incentivise and engage landlords to improve conditions. In 2014, around 55% of dwellings inspected were found to be non-compliant with the standards required.<sup>11</sup> However, data for 2014 published by the National Oversight and Audit Commission (NOAC) showed that 15 of the country's 31 Local Authorities had an inspection rate of below 5% - with RAS and HAP accounting for just under a third of inspections. NOAC has pointed out that the increasing use of these schemes is likely to constrain further the resources available for inspecting properties.<sup>12</sup> SVP recognises the commitment of the government to strengthen the inspection capacity of Local Authorities in order to increase the number and frequency of inspections and to commit specific ring-fenced funding for inspections from 2018 onwards, with the aim of achieving a 25% annual inspection coverage of rental properties by 2021.<sup>13</sup> This needs to remain a priority and the funding provided.

Insecurity of tenure is also a crucial issue in the private rental sector, with those living in buy-to-let (BTL) mortgaged properties facing additional challenges. Of the 130,710 BTL mortgages, 25,218 (19%) of these accounts were in arrears and rent receivers appointed in the case of 6,023 accounts.<sup>14</sup> In such cases, landlord obligations do not currently transfer to receivers. These tenants need to be provided with security and protection.

**Budget Priority 4:** Link tax incentives for landlords to conditionality such as greater security of tenure, longer tenancy agreements and higher quality of accommodation.

**Budget Priority 5:** Ensure sufficient resources for Local Authorities to conduct the requisite levels of inspections of private rental properties to enforce current minimum standards for rental properties. Protection should be assured for tenants against adverse consequences from the outcome of any inspection. **Estimated cost:** €15 million

**Budget Priority 6:** Put in place legislation to ensure that where there is repossession of buy-to-lets by financial institutions, the rights of sitting tenants will be protected.

<sup>11</sup>National Oversight and Audit Commission, *Rented Houses Inspections: A Review of Local Authority Performance of Private Rented Houses Regulations Functions*, Dublin, October 2016, NOAC Report No. 10, p. 26. (<http://noac.ie/wp-content/uploads/2016/11/NOAC-Private-Rented-Sector-Review.pdf>)

<sup>12</sup>*Ibid.*, p. 2.

<sup>13</sup><http://www.parliamentary-questions.com/question/9020-17/>

<sup>14</sup><https://www.centralbank.ie/news/article/mortgage-arrears-and-repossessions-statistics-q4-2016>

## Energy

The Strategy to Combat Energy Poverty estimates that 28% of households are in energy poverty.<sup>15</sup> SVP consistently visit people for whom opening their utility bill causes anxiety as they are unsure of how they will pay it. As such, a core part of the Society's work is to ensure people have access to affordable energy, and do not need to use unnecessary levels of energy to keep warm and well. Between 2008 and 2015, the proportion of individuals who reported that they were unable to afford to keep their house adequately warm increased by 145%.<sup>16</sup> Research carried out by the Vincentian Partnership for Social Justice found that the cost of the minimum energy needs in an efficient dwelling can be half that of an inefficient dwelling.<sup>17</sup>

### Uptake and expansion of the Warmer Home Scheme

The Warmer Homes Scheme remains the Government's primary energy efficiency support for those in energy poverty. At the Energy Action Fuel Poverty and Climate Action Conference in March 2017, Minister Naughton announced that those who meet the eligibility criteria for the Warmer Homes Scheme and are living in a home that is in particularly poor condition, will be entitled to receive a new deep retrofit. SVP also welcomes the expansion of the Warmth and Wellbeing Scheme<sup>18</sup> to additional areas in Dublin and the extended eligibility to families with young children. It will be imperative that there are no delays in these retrofitting schemes.

While the expansion of the above initiatives is welcome, it remains a challenge to identify and encourage households that are eligible for the Warmer Home Scheme to avail of the scheme. Almost 122,000 people have benefited from upgrades under the Warmer Homes Scheme to date, but there are just under 400,000 people in receipt of fuel allowance, the primary identifier for those eligible for Warmer Home initiatives. Going forward, it will be important to identify effective methods to reach potential applicants and pursue more targeted promotion, ensuring that the most vulnerable households are reached.

Better analysis and understanding of which initiatives are proving most effective and identifying barriers to uptake of schemes is needed. Based on this analysis, an appropriate and tailored dissemination and outreach initiative/campaign can be designed to target the vast number of households that are eligible to avail of the Warmer Home Scheme. Such an analysis could also help identify those most vulnerable and energy poor households who would benefit from deeper retrofits. Community Energy Advisors could also play an important role in identifying and overcoming barriers to uptake. SVP recommends that DCCAE pilot Community Energy Advisors to engage and inform hard to reach energy users who would most benefit from energy efficiency and advice programmes. These could be linked to, and part of, the Sustainable Energy Communities initiative supported by SEAI, as well as its contractor panel to support the community based organisations members of that panel.

<sup>15</sup><http://www.dcae.gov.ie/en-ie/energy/publications/Pages/Strategy-to-combat-energy-poverty.aspx>

<sup>16</sup><http://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2015/>

<sup>17</sup><https://www.svp.ie/getattachment/716d46e2-e390-4fce-8e4e-cc3fb2297f62/Minimum-Household-Energy-Need-VPSJ-Research-report.aspx>

<sup>18</sup>The scheme recognises the health implications of living in poor quality and standard housing. It aims to make homes warmer and healthier to live in by providing extensive energy efficiency upgrades to those in energy poverty who are living with Chronic Obstructive Pulmonary Disease (COPD) and Asthma

**Budget Priority 1:** Extend the Warmer Home Scheme to landlords who agree to make their properties available to HAP participants for at least three years.

**Budget Priority 2:** Invest in an analysis of which initiatives are proving most effective, including identify barriers to uptake of schemes. Based on this analysis, design an appropriate and tailored dissemination and outreach initiative/campaign towards the vast number of households that are eligible to avail of the Warmer Home Scheme and those who are most vulnerable.

**Budget Priority 3:** Pilot Community Energy Advisors to engage and inform hard to reach energy users who would most benefit from energy efficiency and advice programmes.

**Estimated cost:** €0.25 million

## Energy efficiency in the private rental sector

A further significant issue is that tenants remain dependant on their landlords (Local Authority, Approved Housing Body or private) to maintain and upgrade the property. Many households which SVP supports reside in rented accommodation. Often it is the most vulnerable tenants, who are on low incomes, that live in the least energy-efficient accommodation, leading to health and safety concerns and energy poverty. In the absence of Government intervention this will increase. Recognising that those living in rented accommodation are twice as likely to live in a home with a poor energy efficiency rating than a homeowner,<sup>19</sup> one of the key means of support the Government can provide to those in energy poverty is the provision of minimal standards for the rental sector.

**"I always find it especially hard in the winter to heat my rented house as it's old."** (Lone parent, 2015)

The research and planned accompanying consultation paper on minimum energy efficiency in the private rental sector need to be published as soon as possible, recognising that it will take time for landlords to carry some of the work involved. Consideration should be given to the protection against unintended consequences on tenants security of tenure, and in relation to landlords, those who might be encouraged to exit the rental market. At the same time, the inspection capacity of Local Authorities will need to be strengthened, and the requisite resources ensured, in order to increase the number and frequency of inspections.

**Budget Priority 4:** Publish the research and consultation on minimum energy efficiency standards in the rented sector, as outlined in the *Strategy to Combat Energy Poverty 2016-2019*.

<sup>19</sup><http://www.dcaae.gov.ie/en-ie/energy/publications/Documents/5/A%20Strategy%20to%20Combat%20Energy%20Poverty%20-%20Web%20Version.pdf>

## Fuel Allowance Levels

The Fuel Allowance is currently €22.50 a week, given a cumulative value of €585 over the course of the winter (26 weeks). SVP continues to receive a significant number of requests for assistance relating to fuel costs. The take up of Pay-As-You-Go electricity and gas meters have helped families to better budget their expenses, but there is no obligation on private landlords to allow tenants install a Pay-as-You-Go meter. While energy prices have fluctuated in recent years, there has been an average increase of 1.2% in the 12 months to March 2017; and since 2010, home energy costs have increased by an average of 18.1%. There is a need to ensure that the fuel allowance remains sufficient to ensure people can adequately heat their homes and meet their energy requirements.

**Budget Priority 5:** Increase the current rates of the Fuel Allowance by €6.50 to restore purchasing power parity of 2010 levels. **Estimated cost:** €63.8 million

## Education

Educational disadvantage is a central concern for SVP. Research consistently shows that inequalities in children's educational outcomes emerge early and persist throughout childhood and into adolescence.<sup>20</sup> Of equal concern, despite two National Access Strategies, progression rates of disadvantaged and non-traditional students to further and higher education remains low.<sup>21</sup> It is the experience of SVP members that cuts implemented over the past number of years have driven inequalities in school participation among children and young people and placed higher education and training further out of reach for the people members assist. As a result, SVP spends more than €4 million annually addressing the educational needs of low income families. It is within this context the Society calls for significant investment in education for all ages and stages.

### Delivering quality early years education and care

SVP has continually advocated that good quality and affordable early years education and care ensures children, particularly those from disadvantaged backgrounds, get the best possible start in life. The introduction of the Affordable Childcare Scheme (ACS) under Budget 2017 was a positive development in this regard. However, significant challenges lie ahead for the sector in terms of access and quality. It is estimated that only 138 childminders out of approximately 19,000 are Túlra registered.<sup>22</sup> Not only does this have implications for children's safety and development, the ACS is only available to registered providers, therefore limiting the supply of affordable childcare. Adequate resources, as well as legislative changes, are urgently required to regulate and recognise childminding services.

**Budget Priority 1:** Invest in quality measures for the childminding sector, including regulation, training, development of minimum standards and inspections. This will promote better outcomes for children and facilitate greater choice for parents.

### Tackling school costs and educational disadvantage

It is 50 years since the introduction of free secondary education in Ireland. The experience of SVP members on the ground, however, is that 'free education' is a myth. The Vincentian Partnership for Social Justice estimate that the cost of education for a secondary school student is €840.<sup>23</sup> SVP members regularly support families with the costs of books, uniforms, fees for school outings and activities and so called 'voluntary' contributions. They visit families who go into debt, put off paying utility bills and cut back on essentials such as food and heating to meet these costs.

<sup>20</sup>Williams et. al. (2016) *Cherishing All Children Equally? Children in Ireland 100 Years on from the Easter Rising*. Dublin: Economic and Social Research Institute.

<sup>21</sup><http://www.heai.ie/en/policy/national-access-office/access-data>

<sup>22</sup>These figures refer to non-relative paid childminders. [http://childrensrights.ie/sites/default/files/submissions\\_reports/files/Report%20Card%202017%20FULL.pdf](http://childrensrights.ie/sites/default/files/submissions_reports/files/Report%20Card%202017%20FULL.pdf)

<sup>23</sup>2016 figures: weekly cost of €16.19 (over 52 weeks) for a second level student living in an urban area. Education costs cover books, uniforms, stationary, educational trips, school trips, after school study, contributions & fees. <http://www.budgeting.ie/download/pdf/2016-mesl-appendix-tables.pdf>

**"Yesterday I had a litre of milk and a sliced pan to feed my kids. I had to scrape together change to buy butter so we could actually have toast. The reason for this was buying my school books on Tuesday. I don't know how I will cope next year but something will have to give"** (Lone parent, 2016)

The new cost cutting measures announced by the Department of Education in April 2017 offer some practical solutions for parents, such as the requirement to provide a sew on crest option and a ban on non-reusable workbooks. However, they do not address the greatest impediment to free education in Ireland — an underfunded public education system. Cuts to the capitation rates since 2010 mean schools are struggling to cover day-to-day expenses and parents are asked to make up the difference through contributions. Funding for the school books rental scheme is also inadequate, with many schools not offering this option due to cost and others relying on parents' contributions to provide the scheme.<sup>24</sup> Parents also pay for classroom resources such as photocopying and art supplies. This funding shortfall places significant financial pressure on low income parents, limits the ability of children to participate in school and perpetuates the cycle of disadvantage and exclusion.

SVP welcomed the new DEIS plan and acknowledges the benefits of this programme for children who can access the variety of supports it offers but the experience of our members is that many disadvantaged children do not attend DEIS schools.

Ultimately, Ireland needs a good quality public education system where all disadvantaged children, regardless of the status of their school, have access to key supports and resources and where costs are not a barrier to participation. The current level of funding is not sufficient. The Action Plan for Education commits to restoring the capitation rates to 2010 levels but rates must be reflective of the cost of providing a quality, free, universal education and account for future demographic demands.

As a first step to addressing these deficits, SVP recommends a combination of increased income supports to parents and increased investment in schools.

**Budget Priority 2:** Make Child Benefit payable to families with children over the age of 18 who are enrolled in secondary school, reflecting the higher educational costs for families with adolescents.

**Budget Priority 3:** Restore the Back to School Clothing and Footwear Allowance to the 2011 level of €305 for children over 12 years, and to €200 for children under 12 years.

**Estimated cost:** €25 million

<sup>24</sup>Barnardos School Cost Survey estimate that 70% of primary schools and 39% of secondary schools operate a school book rental scheme. Parent contributions to book rental can range from 50 euro for primary school students to over 100 euro for secondary school students. <https://www.barnardos.ie/assets/files/Advocacy/2016SchoolCosts/BarnardosSchoolCostsSurveyBriefing2016.pdf>

**Budget Priority 4:** Increase funding for the School Book Rental Scheme by €15 million and implement the recommendation from the Joint Committee on Education and Social Protection (2013) to introduce a five-year template for the delivery of an entirely free school book scheme. **Cost:** €15 million

**Budget Priority 5:** End the practice of 'voluntary' contribution by providing adequate funding to schools. In addition to the restoration of capitation rates, SVP recommends an additional €20 million funding should be allocated to classroom resources.

**Cost:** €35 million (capitation) + €20 million (additional resources)

### Improving access to, and participation in, further and higher education

Changes to the Adjacent Grant distance and cuts to the maintenance rates in 2011 and 2012 have prohibited disadvantaged students from progressing to further and higher education. This is reflected through the work of SVP's Educational Bursary scheme as many applicants were unable to afford fees, accommodation, transport or other living expenses associated with third level. Without the support of SVP, these students would not have taken up a college place. A new funding model for third level education is being considered and SVP strongly advocate that equality of access, participation, and outcome are central to the chosen model. An adequate maintenance system which is reflective of the real costs associated with third level education is essential. In the interim, SVP recommends that the cuts and changes to the maintenance grant are reversed.

Additionally, there are relatively few supports for part-time students. SVP assists many part-time students – usually parents who want to improve the situation of their families by taking up education and training. As per the National Access Strategy, SVP calls for eligibility of SUSI maintenance, the Student Assistance Fund and the Fund for Students with Disabilities, to be expanded to part-time students.

Since 2016, people in receipt of the Back to Education Allowance (BTEA) who are working part-time during the academic year are subject to a means test in accordance with their primary payment. SVP members have reported that these changes have acted as a disincentive for those who would like to engage with education and training and impacts negatively on the standard of living of students.

**Budget Priority 6:** Increase maintenance grant rates to bring them in line with the cost of living. As a first step, reverse the cuts to the student grant implemented in 2011 & 2012 and restore the distance of the adjacent grant to 24km from the current distance of 45km.

**Estimated cost:** €40 million

**Budget Priority 7:** Expand eligibility to the Fund for Student with Disabilities, the Student Assistance Fund (SAF) and the Maintenance Grant to part-time students.

**Estimated cost:** €50 million

**Budget Priority 8:** Reverse the decision to means test income from part-time work for those in receipt of the Back to Education Allowance.

## Income Adequacy

SVP believes that poverty is not inevitable. Social welfare payments and supports, and their interaction with tax measures and wages, should be designed and delivered in ways that help people to reach their full potential, rather than creating poverty traps. Compared to other European countries, Ireland has an extremely high level of market inequality. Without social transfers, such as Jobseekers Allowance, Pensions and Child Benefit, just over 45% of the Irish population would be living below the poverty line.<sup>25</sup> This illustrates just how stark income inequality is in Ireland and the importance of our social welfare system in keeping many people out of poverty. SVP calls on Government to focus on addressing the adequacy of income in households with the greatest levels of poverty and deprivation.

### One Parent Families

SVP has continually expressed concern over the impacts that the reforms of the One Parent Family Payment (OFP) are having on these households. Currently, one in four lone parent households are living in poverty and 65% of homeless families in Dublin are one parent families, demonstrating that these households have been disproportionately affected by the crisis.<sup>26</sup> These stark figures bring to the fore the necessity for urgent action to respond to the needs of one parent families.

**"It's been a terrible summer. I can't afford to do a shop now after I pay my bills, it's terrible. I hate to think of the winter as I won't be able to heat my flat. I'm working 20 hours a week. I can't get more hours as I have no childcare. I'm trying to get [my son] sorted for going back to school but it's so hard with no extra money. I was only getting by before the cuts. Now I don't know what this winter will bring for us."**

*(Lone Parent, 2016)*

The current policy direction regarding one parent families lacks coherence and has led to the development of a complex system of supports, where eligibility depends on the age of their youngest child. Research carried out by SVP, *'It's the Hardest Job in the World'*, clearly shows the strong desire of most lone parents to combine paid employment with caring for their children.<sup>27</sup> However, the kind of employment that parents were willing and able to take up had to fit with the needs of their children, the availability of childcare and after-school care and access to in-work income supports such as Family Income Supplement and the Back to Work Family Dividend. Higher rates of educational disadvantage among this group also requires addressing the barriers to accessing education and training. In this submission, SVP recommends a number of measures that can address current anomalies in the social welfare system that are currently preventing lone parents from taking up employment and education. In the longer term, a comprehensive and holistic approach that more effectively balances lone parents caring and working roles should be implemented.

<sup>25</sup><http://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2015/>

<sup>26</sup><https://www.focusireland.ie/wp-content/uploads/2016/03/Submission-to-the-Oireachtas-Committee-on-Social-Protection-final.pdf>

<sup>27</sup><https://www.svp.ie/getattachment/odfc3boe-9165-4792-946e-43f84199eb57/It-s-The-Hardest-Job-in-The-World.aspx>

**Budget Priority 1:** Increase the earning disregard for the One Parent Family Payment/ Jobseekers Transition Payment to €146.50 to allow lone parents to take up and increase working hours. **Estimated cost:** €27 million

**Budget Priority 2:** Allow lone parents in employment whose children are aged between 7 and 14 to receive both the Jobseekers Transition Payment and Family Income Supplement if they meet the qualifying criteria.

**Budget Priority 3:** Address the anomaly by which lone parents in receipt of Rent Supplement and the One Parent Family Payment/Jobseekers Transition Payment, who want to take up education or training, are not eligible for SUSI maintenance.

## Older children

The Vincentian Partnership for Social Justice (VPSJ), has carried out research on the amount of income needed for different household types to be able to afford a minimum essential standard of living (MESL). This research finds that households with older children find it particularly difficult to meet a MESL. They estimate that the cost of a primary school child is 22% to 38% of a MESL of an adult head of household, rising to 61% for a secondary school child.<sup>28</sup> These differences were first noted in the 1989 Commission on Social Welfare but the current system of child income supports do not distinguish between the needs of older and younger children. SVP recommends that the Qualified Child Increase should be structured in a way that provides additional targeting for households with older children and adolescents.

**Budget Priority 4:** Introduce a higher rate of the Qualified Child Increase for all social welfare payment to families with dependent children over the age of 12 years. The new rate should be increased by €5.00, bringing the payment to €34.80. This would be a first step to addressing the higher costs faced by families with older children.<sup>29</sup>

**Estimated cost:** €35 million

<sup>28</sup><http://www.budgeting.ie/download/pdf/budget2017meslprebudgetsubmission.pdf>

<sup>29</sup>The VPSJ have calculated that to meet the costs of an older child the QCI would need to be increase to €88.80. We recommend incremental increases in QCI over a number of budgets.

## Children and family living in Direct Provision

Almost 1,100 children are currently living in Direct Provision and are one of the most vulnerable groups in Ireland today. With limited family income supports these children experience high rates of poverty and lack basics such as clothes and toys.<sup>30</sup> They also do not have access to adequate play and recreation facilities and they cannot participate fully in school due to prohibitive school costs. SVP members assist where possible to allow these children to have the same educational and social experiences as their peers. In 2015 the Government established a Working Group on Improvements to the Protection System and recommended an increase in the child payment rate to €29.80 and the adult rate to €38.40. In 2016 the child rate increased to €15.60 and SVP asks that the recommendations of the Working Group in relation to financial supports are fully implemented.

**Budget Priority 5:** Increase the weekly allowance of children in Direct Provision by €14.20 to €29.80 and the rate for adults by €19.64 to €38.74 as recommended by the Working Group on the Protection Process. **Estimated cost:** €4.5 million

## Exceptional needs

SVP spends more than the Department of Social Protection on helping people to meet the cost of 'exceptional needs', including rent deposits, household appliances, health-related travel costs, funerals and household bills. Annually the Society spends more than €33 million (2015) on direct assistance to households, often helping families with items that were previously accessed through the Exceptional Needs Payment (ENP) scheme. This compares to a Government budget of €29 million (2015) for ENP. SVP is concerned that the reduction in Government spending on ENP has imposed further hardship on individuals and families on low incomes. The closure of local offices disbursing ENPs has also been highlighted by SVP members as problematic for some of the people the Society assists, particularly those in rural areas. SVP believes that the reduction in the budget allocation for the scheme may be resulting in officers having to refuse payments which they would previously have approved, or approving payments for lower amounts.

**Budget Priority 6:** Increase the budget for the Exceptional Needs Payment by €20 million to ensure that a total budget of €50 million is available to cover exceptional needs for individuals and families on a low income. **Cost:** €20 million

<sup>30</sup><https://www.hiqa.ie/hiqa-news-updates/findings-hiqa-inspection-child-protection-and-welfare-services-provided-children>

## Data sources for infographic

1. Income share between 2014 & 2015 increased by 20% for the top 1% and fell by 15% for the bottom 50%. Source: Table 3. Page 28 TASC (2016) *Cherishing All Equally: Economic Inequality in Ireland in 2016*. [https://www.tasc.ie/download/pdf/tasc\\_inequalityreport\\_2016\\_web.pdf](https://www.tasc.ie/download/pdf/tasc_inequalityreport_2016_web.pdf)
2. 1 in 4 one parent households are living in consistent poverty. Source: Central Statistics Office (2017) Survey of Income and Living Conditions 2015 <http://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2015>
3. 25% increase in the number of working households who qualified for social housing 2013-2016. Source: Housing Agency (2016) Summary of Social Housing Assessment Needs <https://www.housingagency.ie/Housing/media/Media/Publications/Summary-of-Social-Housing-Assessment-Needs-2016.pdf>
4. More than 91,000 households are in need of social housing. Source Housing Agency (2016) Summary of Social Housing Assessment Needs <https://www.housingagency.ie/Housing/media/Media/Publications/Summary-of-Social-Housing-Assessment-Needs-2016.pdf>
5. Over 2,700 children are currently homeless. Source: The Department of Housing, Planning, Community and Local Government, Homelessness Report April 2017: <http://www.housing.gov.ie/housing/homelessness/homelessness-report-april-2017>
6. 145% increase in the proportion of people who cannot afford to adequately heat their home. Source : Source: Central Statistics Office ( 2017) Survey of Income and Living Conditions 2015 <http://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2015>
7. Children from disadvantaged backgrounds are five times more likely to perform poorly in science, reading and maths compare to their advantaged peers. Source: OECD PISA 2015 Database, Table 1.6.5 <http://www.oecd.org/pisa/data/2015database/>
8. As little as 15% of young people living in deprived areas go to third level compared to up to 90% of young people living in affluent areas. Source: National Plan for Equity of Access to Higher Education 2015-2019 [http://www.heai.ie/sites/default/files/national\\_plan\\_for\\_equity\\_of\\_access\\_to\\_higher\\_education\\_2015-2019\\_single\\_page\\_version\\_0.pdf](http://www.heai.ie/sites/default/files/national_plan_for_equity_of_access_to_higher_education_2015-2019_single_page_version_0.pdf)
9. €840 is the average cost of school for a second level student. See table 3A VPSJ (2016) Minimum Essential Standards of Living Appendix Tables: <http://www.budgeting.ie/download/pdf/2016-mesl-appendix-tables.pdf>
10. €33 million was spent by SVP in 2015 providing direct assistance to individuals and families. <https://www.svp.ie/about-us/structure-and-governance/finance.aspx>





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