The Society of St Vincent de Paul's Pre-Budget Submission 2017

**JUNE 2016** 

# **Building an Equal Nation**

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#### **Mission Statement**

We are involved in a diverse range of activities characterised by:

#### 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.

#### 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.

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# Summary of SVP's Budget 2017 Priorities

# **Income Adequacy**

Department of Social Protection

- 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.
- Make Jobseekers Transitional Payment and the SUSI grant payable to lone parents who are undertaking an educational or training course, for the duration of the course, regardless of the age of the youngest child in the family or whether the family is in receipt of Rent Supplement.
- Target any increases in Child Benefit towards children aged 12 years and over, in recognition of the high costs faced by families with older children.
- Protect the current rates of the Fuel Allowance and Household Benefits Package.
- Support and adequately fund the project management of the extended Personal Micro-Credit initiative among credit unions across the country, as a viable, community-based, alternative loans scheme to moneylenders.

# Housing

Department of Housing, Planning and Local Government

- Improve security of tenure and quality standards for tenants in the private rented sector, particularly in the area of energy efficiency.
- Increase the Rent Supplement and Housing Assistance Payment limits to realistic levels as a temporary measure to prevent homelessness.
- Reverse the direction set out in Social Housing 2020, where 70% of social housing need is to be met via supports like HAP, Rent Supplement and leasing to a commitment to meet 70% of social housing need through the provision of social housing units by Local Authorities and Approved Housing Bodies (build and acquisition).

# Early Childhood Care and Education (ECCE), childcare and after school care

Department of Children and Youth Affairs

- Deliver the promised single subsidised childcare scheme from 2017, replacing current targeted schemes, for pre-school and school going children, with simplified eligibility, based on income.
- Increase investment in the years before children start primary school, from the current low base of 0.2% of GDP, which compares poorly to spend in other countries, over a series of budgets, to create an affordable quality early years care and education sector.
- Continue to invest in quality measures to consolidate the sector, improve qualifications, pay and conditions for staff in the sector and secure better outcomes for children.

### Energy

Department of Communications, Climate Change and National Resources

- Publish the analysis of the consultation on minimum thermal efficiency standards in rental properties and the development of minimum energy efficiency standards for all rented properties.
- Deliver the new pilot initiative to enable landlords involved in the local authority-led Housing Assistance Payment (HAP) schemes to avail of free energy efficiency upgrades, alongside the recently announced enhanced tax credits for renovation of rented properties.
- Extend eligibility for the Better Energy Warmer Homes Scheme to housing association tenants and promote awareness of this scheme among this group of tenants and the approved housing bodies housing them.
- Expand the eligibility criteria of the existing energy efficiency schemes to people who suffer basic deprivation and who are not covered by existing schemes.
- Introduce a retrofitting fund (of over €20m in 2017) to support innovative communityled approaches to addressing energy poverty through the Sustainable Energy Authority of Ireland's (SEAI)'s Better Energy Communities Scheme.
- Implement the second year of a three year €20 million pilot scheme commencing in 2016, involving the Department of Communications, Climate Change and Natural Resources, the HSE, Department of Health and SEAI as committed to by a Strategy to Combat Energy Poverty. The project will target people in energy poverty who suffer from acute health conditions that may be exacerbated by living in an energy inefficient home with 'deep retrofits' (substantial renovation to homes with a range of extensive energy efficiency upgrades), and should demonstrate the multiple benefits that energy efficiency provides.
- Continue to support innovative initiatives which make budgeting for household energy easier for low income groups.

# Foreword from SVP's National President

The new Programme for a Partnership Government was launched in May 2016. This new Government has committed to tackling unmet needs through budgets with an emphasis on prioritising public spending over tax reductions. SVP welcomes this pledge while also acknowledging the need to ensure value for money in service provision.

A new Government is now in place which has promised higher levels of public investment. The long term needs of the country must be put ahead of party and constituency politics, and those in leadership positions must focus on delivering on the commitments to fairness and public investment set out in the Programme for Government and in other existing national strategies. SVP sees an opportunity in the new cross party approach and looks forward to more creative dialogue with Government to secure better outcomes for those we assist.

Through direct and personal contact with those in need, SVP members see how inadequate incomes, particularly for those in low paid work, and lack of access to quality services damage people's prospects and lives. Our 11,000 members visit people in their homes every week across Ireland. They see at first hand the impact of the housing and homelessness crisis, child poverty, educational disadvantage, and how living on low incomes affects individuals and families. Being priced out of rental housing and having poor or no access to adequate early years, childcare and after school supports blights too many lives and prevents many from reaching their potential.

Working for social justice is a cornerstone of SVP's mission and work, alongside home visitation and empowering people to access education, training and other local supports. We are called to challenge the social injustices we see, to engage with Government and policy makers to propose solutions and to advocate for social change, as reflected in the words of our founder, Blessed Frederic Ozanam:

"I am asking that you look after people who have too many needs and not enough rights – people who demand with reason a greater say in public affairs, freedom from poverty, access to education and security in employment." Similarly, Pope Francis recently said "economic and social exclusion is a complete denial of human fraternity and a grave offence against human rights and the environment". Inequality is not inevitable. Rather, social and economic progress go hand in hand, with investment in quality public services yielding benefits to both the economy and the common good. We ask Government to show leadership and to make the right choices for now and for the long term – to build an equal nation.

S. Meabs

Geoff Meagher National President, The Society of St Vincent de Paul June 2016

# **Budget 2017 to prioritise investment in services over tax cuts**

SVP welcomes the return to growth, which reached 7.8% in 2015, and the reduction in unemployment to 7.8% in May 2016. Growth is needed for sustained economic recovery and job creation. Yet the Society aspires to a more inclusive growth and a vision of what our Republic should look like a hundred years after the Rising. SVP members, through their direct work with people struggling on low incomes and often facing various health, caring responsibilities and other challenges, see the impact of poor investment in critical public services on the communities and families we assist.

SVP wants Government to tackle and reverse inequalities of access and outcome for lower income households and communities which have borne the brunt of recent cuts. Inequalities of outcome, resource distribution and life opportunities are not inevitable and should not continue to be tolerated. Deeper ethical considerations must prevail in deciding the Government's priorities for Budget 2017 and beyond, based on sustainable development and the global goals committed to by Ireland and all UN Member States who participated in the UN Member States summit in September 2015.

We ask Government to do the right thing and to make long term investment in services which will benefit future generations. Short term political cycles should not be the driving force behind budgetary decision making. Resource allocation in the available fiscal space must have the greatest long term benefit of all our citizens at its core. Ireland needs mature, long term strategic investment, including sufficient capital investment; based on evidence, sound demographic, social and economic planning; and resulting in people being able to access quality services and supports, regardless of their socio-economic status.

This is the moment for Government to show its intent to act on objective, evidence based analysis of what structural challenges must be reformed. A clear message must be sent that Ireland is prepared to make the right investment choices for the right reasons – to build an equal nation.

# **Income adequacy**

Every household and family in Ireland should have an income which allows them to meet their needs. This requires the provision of adequate social welfare payments, tackling the problem of low pay for those in work and addressing the cost and availability of services. The main impacts of the reform of the One Parent Family Payment have been to reduce the income of lone parents in employment; and to reduce the likelihood of lone parents who are not in employment, education or training to take up work or education in the near future. Cuts made to the supports for one parent families must be reversed if we are to make any meaningful inroads into the stubbornly high rates of child poverty in Ireland. Of all lone parent households 59% experience material deprivation. This is due to the lack of policy coherence resulting in many lone parents being unable to access the childcare and after school supports they need in order to comply with Government rules to take up employment or training.

### SVP asks Government to:

- 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.
- Make Jobseekers Transitional Payment and the SUSI grant payable to lone parents who are undertaking an educational or training course, for the duration of the course, regardless of the age of the youngest child in the family or whether the family is in receipt of Rent Supplement.
- Target any increases in Child Benefit towards children aged 12 and over, in recognition of the high costs faced by families with older children.
- Protect the current rates of the Fuel Allowance and Household Benefits Package.
- Support and adequately fund the project management of the extended Personal Micro-Credit initiative among credit unions across the country, as a viable, community-based, alternative loans scheme to exorbitant moneylenders.

# Housing

It is estimated by the National Economic and Social Council that between 25% and 30% of the population as a whole require some support in meeting their housing needs due to income and costs.

Trends in housing in Ireland are changing. Home ownership is declining, which has its own implications, particularly in the longer term. Private renting has increased dramatically and the proportion of the population renting local authority housing has declined from a peak of 18.4% in 1961 to 9% in 2011. High rates of tenant purchase during the 1960s–1980s, followed by low levels of the construction of local authority housing explain much of the decline.

The current social housing strategy, Social Housing 2020, provides for the availability of 110,000 units of social housing between now and the end of the decade. This strategy specifies that social housing 'supports' to low income tenants in the private rented sector, rather than actual units of social housing, are to be the main mechanism to meet social housing need. SVP views the reliance on the private rented sector to meet social housing need over the past two decades as an abject failure and a direct cause of the increase in family homelessness. While the Society believes that there is a role for a well-regulated and affordable private rented sector in meeting social housing need in the short term, we want to see a return to the provision of social housing by local authorities and approved housing bodies. SVP is adamant that the provision of social housing units is the only real and lasting solution to the housing and homeless crisis which Ireland is facing.

This will take time and resources to achieve but investment in social housing units is vital if the causes of the housing crisis are to be tackled and overcome in the longer term.

## SVP asks Government to:

## In the immediate term:

- Improve security of tenure and quality standards for tenants in the private rented sector, particularly in the area of energy efficiency.
- Increase the Rent Supplement and Housing Assistance Payment limits to realistic levels as a temporary measure to prevent homelessness.

## In the medium to long term:

• Reverse the direction set out in Social Housing 2020, where 70% of social housing need is to be met via supports like HAP, Rent Supplement and leasing to a commitment to meet 70% of social housing need through the provision of social housing units by Local Authorities and Approved Housing Bodies (build and acquisition).

# Early Childhood Care and Education (ECCE), childcare and after school care

Despite strong international evidence showing how beneficial quality care is, early years care and education, childcare and after school care is very expensive, poorly resourced and is of variable quality in Ireland. Until recent years, investment in the sector has not been a priority for Government.

SVP knows that accessible and affordable childcare and after school care are essential supports for parents who work or take up training and education. Not having a job is a major cause of poverty. The lack of childcare and after school places limits opportunities for children and makes it harder for parents entering the labour market. Our 2014 research with lone parents: It's the hardest job in the world confirms the stress and pressure these parents encounter when they try to juggle work or training with childcare or after school care. Lone parents have told SVP how difficult it is for them to find work, and / or training, where they can care for their children while meeting employer and education providers' requirements.

Good quality care can mitigate the negative effects of growing up in a poor or vulnerable household. This is why we want Government to prioritise helping low income families access these critical supports. We welcome the commitment to replace existing schemes with an affordable subsidised childcare scheme and will continue to lobby for its speedy implementation.

SVP wants a sustainable State subsidised funding model which is affordable to parents and which delivers quality outcomes for children. The model must also ensure that funding is linked to the achievement of quality measures and higher workforce qualification levels. SVP fully supports the position of the Inter Departmental Group in rejecting tax reliefs or credits as a viable approach to solving the sector's major challenges of supply, affordability, quality and work force development. Tax relief to parents will not solve the sector's critical issues such as quality standards.

## SVP asks Government to:

- Deliver the promised single subsidised childcare scheme from 2017, replacing current targeted schemes, for pre-school and school going children, with simplified eligibility, based on income.
- Increase investment in the years before children start primary school, from the current low base of 0.2% of GDP, which compares poorly to spend in other countries, over a series of budgets, to create an affordable quality early years care and education sector.
- Continue to invest in quality measures to consolidate the sector, improve qualifications, pay and conditions for staff in the sector and secure better outcomes for children.

# Affordable energy

It is estimated that almost 28% of households in Ireland experience energy poverty. In the recently published A Strategy to Combat Energy Poverty, the Government objective is that everyone should be able to afford to adequately heat and power their home. People living in rented accommodation are twice as likely to live in a home with a poor energy efficiency rating (E, F or G rated on the Building Energy Rating scale) and therefore a colder home, with a higher risk of health problems. The strategy commits to a public consultation to consider the impact of such standards and SVP believes that this process should be completed by the end of 2016. SVP considers that the following measures must be achieved by the end of 2017 in order to safeguard delivery of this core target.

## SVP asks Government to:

- Publish the analysis of the consultation on minimum thermal efficiency standards in rental properties and the development of minimum energy efficiency standards for all rented properties.
- Deliver the new pilot initiative to enable landlords involved in the local authority-led Housing Assistance Payment (HAP) schemes to avail of free energy efficiency upgrades, alongside the recently announced enhanced tax credits for renovation of rented properties.
- Extend eligibility for the Better Energy Warmer Homes Scheme to housing association tenants and promote awareness of this scheme among this group of tenants and the approved housing bodies housing them.
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- Introduce a retrofitting fund (of over €20m in 2017) to support innovative communityled approaches to addressing energy poverty through the Sustainable Energy Authority of Ireland's (SEAI)'s Better Energy Communities Scheme.
- Implement the second year of a three year €20 million pilot scheme commencing in 2016, involving the Department of Communications, Climate Change and Natural Resources to Communications, Climate Change and Natural Resources, the HSE, Department of Health and SEAI as committed to by a Strategy to Combat Energy Poverty. The project will target people in energy poverty who suffer from acute health conditions that may be exacerbated by living in an energy inefficient home with 'deep retrofits' (substantial renovation to homes with a range of extensive energy efficiency upgrades), and should demonstrate the multiple benefits that energy efficiency provides.
- Continue to support innovative initiatives which make budgeting for household energy easier for low income groups.

# Information on SVP

SVP exists to fight poverty in its various forms. We work for social justice and the creation of a more just, caring nation. Through our wide range of services, from household visitation to premises-based local services, we provide practical support to people in need. Established in 1844, we are the largest, voluntary, charitable organisation in Ireland with 11,000 members, 4,500 volunteers and 750 staff.

SVP is as a volunteer-based, volunteer-led organisation.



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