

National Reform Programme

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Contents

Introduction	3
Poverty, Inequality and Social Exclusion: Key Challenges	3
SVP Priorities for Ireland's National Reform Programme	4
Commit to Benchmarking to Incomes to an Adequate Level.....	4
Build Inclusive Labour Markets and Support Parental Employment.....	6
End Child Poverty and Implement the EU Child Guarantee	7
Invest in Public, Affordable and Quality Childcare	8
Prevent Homelessness and Invest in Social and Affordable Housing	10
Provide Accessible Education and Training.....	11
Tackle Energy Poverty and Ensure a Just Transition to a Low Carbon Economy	13
Embed Poverty Proofing in Government Policy	16
Conclusion	16

Introduction

The Society of St Vincent de Paul (SVP) welcomes the opportunity to make a submission to the Department of An Taoiseach as part of Ireland's National Reform Programme.

SVP is the largest voluntary charity of social concern in Ireland. We are a network of over 11,000 members who support people within their communities facing poverty and exclusion. SVP provide practical assistance to those experiencing financial hardship and we work to address the root causes of poverty through our policy and advocacy work.

In this submission we will cover key issues of concern for SVP members and how they should be addressed in Ireland's submission to the National Reform Programme.

Poverty, Inequality and Social Exclusion: Key Challenges

Just like 2022, last year was dominated by the cost of living crisis and this was reflected in calls to SVP. Over a quarter of a million calls and requests were received through SVP regional offices and local conferences. Food and utility bills made up the majority of requests but many more were in touch because of back to school costs, third level costs, household goods, furniture, clothing, support with health related costs, issues with mortgages and rent or funeral expenses.

The latest data from the Survey of Income and Living Conditions (published on the 7th of March 2024) mirrors this experience showing that just over 913,000 people were experiencing deprivation in 2023, up from 16.6% in 2022 to 17.3% in 2022.¹ The at risk of poverty rate, which is based on median incomes, shows that just over 10% of the population were at risk of poverty - but this would have been 13% without the temporary cost of living measures. This suggests that temporary measures supported households incomes, meaning fewer people had incomes below the poverty line, but this has not translated into an easing of financial difficulties as the data shows deprivation has risen. In addition, 6.4% of households had great difficulty in making ends meet in 2023, compared to 5.5% in 2022. This rises to 17.9% for one parent households and one in five one parent families have gone into debt to meet ordinary living expenses in 2023.

¹ CSO (2023) Survey of Income and Living Conditions 2023 <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2023/poverty/>

The CSO data shows the highest levels of deprivation for people out of work due to illness or disability (44.7%), one parent families (41.4%), those who are unemployed (37.8%) and renters (36.5%). Over one in five children in the state is now living in enforced deprivation (21.4%).

It is important to note that some of the most marginalised groups in Irish society including those living in Direct Provision, emergency accommodation and members of the Travelling community are not counted in official poverty statistics.

The Roadmap for Social Inclusion 2020-2025 contains the ambition 'To reduce the national consistent poverty rate to 2% or less of the Population' and, 'To make Ireland one of the most socially inclusive States in the EU'. To reach this target we need to see in 2024, a move towards benchmarking our social protection system to what people need to live, increased investment in education across the life cycle, better pay, training and employment supports to address in-work poverty, and significant strides by the Child Poverty Unit in the Department of An Taoiseach to set us on a path to ending child poverty. This national targets and commitments are also set out in the context of the Sustainable Development Goal of No Poverty and the European Pillar of Social Rights.

SVP Priorities for Ireland's National Reform Programme

Commit to Benchmarking to Incomes to an Adequate Level

At SVP our members see the reality of low income facing too many one parent families, people who are out of work due to illness or disability, and those who are unemployed. This reality is also clearly demonstrated through the Minimum Essential Standard of Living (MESL) data, which shows that social welfare payments leave many households headed by a single adult, or with older children, in deep income inadequacy.

Social welfare payments are not indexed against inflation, the cost of living, or average wages. While the nominal rates have increased since 2020, the spending power of weekly welfare payments has decreased. In 2024, the maximum nominal rate of the contributory state pension (€277.30/week) will have lost €18.75/week in *spending power* relative to what €248.30/week would have afforded in 2020, a loss of 7.6%. A similar calculation can be done for working age welfare payments, which have also fallen behind the rate of inflation. For example, Jobseekers Benefit in 2024 has a nominal rate of €232, but its *spending power* is €10.95 lower than what €203 could have afforded in 2020, a loss of 5.4%. As well as a

loss of spending power, data also shows a deepening and widening of income inadequacy for households reliant on social welfare. Analysis examining trends in social welfare adequacy for a set of 214 test social welfare household cases, shows that in 2024, 93% of cases are projected to demonstrate income inadequacy, with 7% of cases showing an adequate income.²

Increases in the cost of essentials mean that people facing poverty must make tougher compromises each week, cutting back where there was already nothing to spare. Investing in social welfare supports in the coming years would prevent a much higher cost of poverty, both to individuals and to public services. It is critical that Government also commit to benchmarking social welfare payments and minimum wages to an adequate level and in line with living costs in the longer term. Investment in quality public services is also needed if the Government is to be successful in reaching their own poverty targets as set out in the Roadmap for Social Inclusion.

It is important to note that the Commission on Taxation and Welfare recommendation “that Government undertakes a regular benchmarking exercise in respect of all working-age income supports (including supports for people who are unemployed, people with disabilities and people parenting alone), following which multi-annual targets should be set for social welfare rates which provide for regular incremental progress. Annual increases in social welfare rates should be based on a transparent and evidence-led process.” The report also notes the importance of adequate welfare payments in the overall strategy to reduce poverty and inequality.³

The Roadmap for Social Inclusion commits to examining a benchmarking approach to working age payments and this work is set to begin this year. However, we are concerned that benchmarking social welfare payments to average wages or the Consumer Price Index will not be effective in meeting the anti-poverty commitments set out in the Roadmap, if rates are set at level below what is needed to meet an adequate standard of living. It is our view that an appropriate benchmark should aim to:

- Combat poverty and social exclusion by establishing an adequate social protection floor.

² Vincentian MESL Research Centre (2024) Budget Impact Briefing 2024
www.budgeting.ie/download/pdf/mesl_impact_briefing_-_budget_2024.pdf

³ Report of the Commission on Taxation and Welfare (2022) <https://www.gov.ie/en/publication/7fbeb-report-of-the-commission/#:~:text=agus%20Liosta%20Molta%C3%AD-Foundations%20for%20the%20Future%3A%20Report%20of%20the%20Commission%20on%20Taxation,in%20the%20Programme%20for%20Government.>

- Ensure that everyone has an adequate income to meet the cost of living and live with dignity.
- Provide people with the means to access opportunities and to participate in Society.
- Offer certainty to people on fixed incomes.

For these reasons, many organisations in the Community and Voluntary sector have advocated that the Minimum Essential Standard of Living (MESL) data is the most appropriate adequacy benchmark for social welfare payments. The MESL data provides a multi-dimensional view of income adequacy that is grounded in social consensus on what are the minimum requirements to participate in Irish society today. As well as determining the rate at which social welfare rates need to be set in order to ensure adequacy and a life with dignity, the data also highlights policy levers that can reduce the cost of living through access to quality public services.

Build Inclusive Labour Markets and Support Parental Employment

As the group most at risk of poverty in Ireland today, lone parents are the largest group assisted by SVP. Prior to the pandemic it was estimated that 64 per cent of one parent families were in work, balancing employment and family life.⁴ However, when lone parents do work, they are more than five times as likely to be in in-work poverty than households with two adults. Evidence from DSP suggests that the increase in in-work poverty among lone parents is due to employment gains being concentrated in low-income jobs as it has been accompanied by a doubling of families receiving the Working Family Payment.⁵ Despite recent increases in employment, Ireland still compares poorly to other European countries, with the lowest employment rate for lone among EU 15 peer countries.⁶

While enabling lone parents to access work is an important policy objective, the changes to eligibility for the One Parent Family Payment introduced in 2015 have taken place in the context of extremely high childcare costs and a dearth of decent flexible and part-time employment. This has pushed parents – and 99 per cent of people on the OFP are mothers⁷ – into an unsuitable labour market, often leaving them trapped between poorly paid inflexible work and inflexible social welfare. The reforms failed to recognise the additional practical and financial challenges of parenting alone. The decision to abolish the features of the One Parent Family Payment which support lone parents to take up part-time employment was widely criticised. It is SVP's experience that this has made it more difficult for lone parents

⁴ Eurostat: LFS [lfst_hhindws]

⁵ SVP (2019) 'Working, Parenting, Struggling' Available at <https://www.svp.ie/news-media/publications/social-justice-publications/working,-parenting-and-struggling-full-report.aspx>

⁶ Source: Eurostat EU-SILC survey [lfst_hheredy]

⁷ CSO (2016) 'Women and Men in Ireland 2016' Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-wamii/womenandmeninireland2016/socialcohesionandlifestyles/>

with low earnings potential and high levels of caring responsibilities to access employment, education or training, and reduced the income of those already in employment.

In addition to investing in childcare services, employment policy can recognise parental responsibility by building in the right to leave and flexibility. Finland recently announced that their generous parental leave allowance would be split equally by parents of any gender, and that single parents would be entitled to the total amount of leave for two parents⁸. In Ireland however, parent's and parental leave is allocated per adult, so a single parent doesn't receive additional time. By effectively offering the total entitlement per child rather than per parent, Finland's policy recognises that a child does not require half the amount of care and flexibility because they are parented by one adult.

We believe that improving the labour market for lone parents will also improve the labour market for everyone. We need a labour market that is based on recognising the rights and needs of workers and supporting them to have a long term and sustainable attachment to employment. Through the outcomes for lone parents discussed in previous paragraphs, we can see that there are aspects of our current approach to employment and the labour market that are not working well enough. This requires a recognition that access to employment relies on the strength of services such as childcare and social protection, as well as regulations within the labour market itself.

End Child Poverty and Implement the EU Child Guarantee

As a society we understand that all children should have a fulfilling childhood and be given what they need in life to reach their potential. The new Child Poverty and Well-Being Unit in the Department of An Taoiseach presents the opportunity for a coordinated and cross-departmental approach to end child poverty and SVP welcome the publication of its action plan. This must be the first step in a wider strategy to support families and break the cycle of disadvantage for children through adequate income supports, implementation of the EU Child Guarantee and an ambitious child poverty target to drive action.

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o achieve this, SVP propose the following supportive structures:

- Set a new target to reduce the proportion of children living in consistent poverty to 2 per cent or less by 2028 and eliminate child poverty by 2030 in line with the UN

⁸ New York Times (2019) 'Finland Plans to Give All New Parents the Same Leave.' Available at: <https://www.nytimes.com/2020/02/06/world/europe/finland-parental-leave-equality.html>

Sustainable Development Goal of No Poverty. Introduce legislation to make this target legally binding.

- Resource and implement cross-governmental national action plan to ensure Ireland reaches the target of reducing child consistent poverty to 2 per cent or less by 2025 and delivers on the commitments set out under the EU Child Guarantee.
- Develop a 'child poverty dashboard' requiring annual reporting by Government to monitor progress across a number of domains and sub-group targets for children most at risk of poverty and exclusion, including children in one parent families, those living in homeless accommodation or direct provision, Traveller, and Roma children and those with a disability.
- Establish a well-resourced parliamentary oversight committee to monitor action on child poverty.
- Place the process of poverty and equality proofing of all Government policy on a statutory basis.
- Amend the Finance Bill so that Government must report annually on how the budget will reduce child poverty and how the Government is progressing towards its targets.

Invest in Public, Affordable and Quality Childcare

It is well established that in countries with public provision of childcare, early years care and education is more affordable, accessible, and of higher quality than in countries with private provision.⁹ Research also shows that publicly provided childcare is linked to better outcomes for children and higher maternal life satisfaction.¹⁰ In addition, it is recognised that access to free or highly subsidised childcare is one of the best mechanisms to reduce poverty in one parent families.¹¹

Childcare is continually cited as the main barrier to employment for lone parents who want to take up or increase their working hours. A 2019 SVP report found that almost 60% of one parent households were unable to access childcare services due to financial reasons. Recent research published by the ESRI, which looked at this data in more detail, found that where lone parents without a need for childcare are excluded, the proportion citing financial

⁹ Heery, E. (2020) 'Public Provision of Early Childhood Education: an Overview of the International Evidence', Oireachtas Library and Research Service Briefing note https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2020/2020-06-16_l-rs-note-public-provision-of-early-childhood-education-an-overview-of-the-international-evidence_en.pdf

¹⁰ *ibid*

¹¹ Daly, M. (2020) Reducing Child Poverty: Challenges and Opportunities for Ireland, Presentation at Children's Rights Event on the EU Child Guarantee https://www.childrensrights.ie/sites/default/files/submissions_reports/files/Prof%20Mary%20Daly%20Child%20Guarantee.pdf

barriers to childcare rises to 91%.¹² This is the second highest rate among all EU-15 countries just after Spain and is not surprising as childcare costs in Ireland are some of the highest among all OECD countries.¹³ In Sweden and Denmark, where childcare is universally available and highly subsidised, cost was not a barrier to childcare for one parent families.

The National Childcare Scheme (NCS) provides good support to many families, but it has created barriers to education and training for lone parents. The NCS offers excellent support for preschool children but tapers off once a child enters school and again when the child reaches 1st class. This coincides with when lone parents must engage with the Department of Social Protection to prepare for employment. It is estimated that afterschool services in Dublin currently cost between €115 per week and €144 per week. The maximum subsidy available under NCS (2021) for a child in 1st class is €63.75.¹⁴ It is not possible for a parent on social welfare to pay €51.63 to €80.48 per week for school age childcare. In effect, lone parents are locked out of education and training opportunities that may improve the long-term outcomes for their families.

The decision to discontinue the practice of deducting hours spent in pre-school or school from the entitlement to NCS subsidised hours (as announced in Budget 2022) is very welcome and will provide additional support to the families as described above. This must be further built upon within the Child Guarantee commitments to deliver free childcare care to all lone parents and low-income families. The new Equal Participation Model is welcome and future funding must provide a mix of universal and targeted supports through services accessed by children and families experiencing disadvantage.

Overall, policymakers should view access to quality childcare provision via the National Childcare Scheme (NCS) as part of the holistic support required by low-income families, and every aspect of the scheme should be poverty proofed. It is critical that these issues are resolved so that the State can fulfil its commitments under the European Child Guarantee which would allow free and effective access to early years care and education to children in disadvantaged circumstances, including those in one parent families.

¹² Grotti et. al. (2019) Technical Paper on Access to Care Services in Ireland, Social Inclusion Technical Paper No. 9. <https://www.esri.ie/system/files/publications/BKMNEXT371.pdf>

¹³ OECD (2017) The Pursuit of Gender Equality: An Uphill Battle. <https://doi.org/10.1787/9789264281318-graph67-en>

¹⁴ Analysis provided by SPARK

Prevent Homelessness and Invest in Social and Affordable Housing

In SVP's experience, rising housing costs have become increasingly a driver of poverty and deprivation among the households we support. While the Housing Assistance Payment is an essential short-term support for those in housing need, as a long-term response this does not provide good value for money to the state and does not ensure affordability or sufficient security of tenure for many households living in private rented accommodation. The 2023 data from the Survey of Income and Living Conditions shows that the at risk of poverty rate for those living in accommodation Rented through Housing Assistance Payment (HAP), Rent Supplement and the Rental Accommodation Scheme (RAS), 58.6% of those in receipt of Housing Assistance Payment or Rent Supplement were at risk of poverty, compared to 12% before rent is paid.¹⁵

In our 2019 report with Threshold entitled Housing Assistance Payment (HAP): Making the right impact? 20% of the tenants surveyed were paying more than the 30% limit, with 10% paying more than 40% of their net income on rent. Almost half (45%) of those paying a top-up said that they were struggling with paying utility bills, buying groceries, and covering childcare and school costs as a result. The report contains many examples of the difficulties HAP tenants face, including the discrimination experienced by some vulnerable households trying to access housing in the Private Rental Sector (PRS), who must compete with other prospective tenants who may be seen as more desirable by landlords.

Ending the reliance on the private rented sector to meet social housing need and the increased provision of social and affordable homes by the state to provide safety and security is to the forefront of the minds of SVP members who visit and support some children experiencing housing insecurity. Increasing the social housing targets from 10,000 to 15,000 per year to meet current demand and reduce the reliance on housing supports such as RAS, RS and HAP to accommodate low-income households.

A complete review of the Housing Assistance Payment (HAP) and its interaction with the Private Rented Sector. Issues that need to be examined include, the use of HAP top-ups among low-income households, insecurity of tenures, private rented accommodation standards, refusal of some landlords to accept HAP, support with HAP arrears and the increasing cost of the programme to the State Exchequer relative to investment in the build of new housing.

¹⁵ CSO (2023) Survey of Income and Living Conditions 2023 <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2023/poverty/>

SVP welcomed the commitment to work toward ending homelessness by 2030 in Housing for All but are concerned about the lack of emphasis in the plan on child and family homelessness. Approximately, 40% of Traveller children are living in overcrowded accommodation and are at greater risk of homelessness and housing insecurity.¹⁶ One parent families are also disproportionate represented among the homeless population. Despite making up only 20% of families in Ireland, one parent families account for 53% of homeless families. Lone parents also had higher rates of affordability issues (19%) when compared to the general population (5%) and were more vulnerable to housing quality problems such as damp and lack of central heating (32% compared to 22%).¹⁷

Commenting on the report, the UN Special Rapporteur on the right to adequate housing, Prof Balakrishnan Rajagopal, said it raised “a fundamental question over the treatment of single parents and their children by society” and pointed to the need to ensure that everyone has equal access to a safe and adequate home.¹⁸

Developing and resourcing a child and family specific homelessness strategy is needed. This strategy should have a strong emphasis on homeless prevention particularly targeted at the needs of one parent families and members of the Traveller community.

Provide Accessible Education and Training

Ensuring that low-income households are able to access education and training opportunities is vital for their own personal achievements and to ensure our society and economy can adapt and remain resilient after Covid-19. The main barriers and constraints faced by households SVP support who wish to access education and training courses relate to finance, transport, availability of provision, and their knowledge and awareness of the options available to them. The 2016 and 2017 National Learner Forum reports also state this is a recurring issue that needs to be addressed.¹⁹

A report published by SOLAS in 2017 highlighted that for many prospective learners, there was much confusion and lack of awareness for learners around costs, grants and

¹⁶ Joint Oireachtas Committee on Children and Youth Affairs Wednesday, 8th May 2019 Children’s Rights Alliance Report Card 2019: Discussion <https://www.kildarestreet.com/committees/?id=2019-05-08a.262&s=%22direct+provision%22+2019-05-08..2019-05-17#g265>

¹⁷ Russell, H., Privalko, I., McGinnity, F. & Enright, S. (2021) Monitoring Adequate Housing in Ireland <https://www.esri.ie/publications/monitoring-adequate-housing-in-ireland>

¹⁸ RTE News Report, 14th September 2021, ‘Lone parents and children account for 53% of all homeless families – report’ <https://www.rte.ie/news/ireland/2021/0914/1246582-lone-parents-housing-report/>

¹⁹ https://www.aontas.com/33869-AONTAS%20NALF%20Policy%20Report_August_2019.pdf
https://www.aontas.com/48390-AONTAS%20NALF%20Policy%20Report_August_2019.pdf

entitlements. For example, due to the complexity of the social welfare system, prospective learners had encountered perceived economic barriers to taking up a FET course. Hidden costs, confusion surrounding entitlements and a lack of eligibility for grants/welfare supplements prevented some individuals from doing courses.²⁰ SVP members have stated that Level 3 and Level 4 courses are in the vast majority of cases relatively inexpensive or free if on social welfare, however, the hidden costs involved can be a barrier for a person to continue in their chosen course.

Statistics show there are 445,800 people (aged 25-64) who have less than a QQI Level 4 qualification.²¹ These include 233,300 people who are employed (52%) and 24,900 who are unemployed (6%). There are a further 187,600 (42%) adults who are inactive and have less than a QQI Level 4 qualification.²² While digital skills are a key concern and priority, recent research shows that one in six Irish adults (521,550 people) find reading and understanding everyday texts difficult: for example, reading a leaflet, bus timetable or medicine instructions (CSO, PIAAC 2012). One in four (754,000 people) has difficulties in real world maths, from basic addition and subtraction to calculating averages. These people are at the lowest level of a 5 level scale.

Currently adults can receive between 2- and 6-hours adult literacy tuition per week. There are a small number of longer programmes delivered under Intensive Tuition in Adult Basic Education (ITABE) and some through the Back to Education Initiative (BTEI) in the Education and Training Boards (ETBs). There is no financial support or incentive to return to education for QQI levels 1, 2 or 3, for example tax relief. There is no fulltime childcare or elder care provision or transport costs. As a result, post Covid there will continue to be a significant number of people not participating fully in society as a result of persistent barriers to educational and training opportunities. There should be priority given to those adults with a qualification less than QQI Level 4 to avail of relevant learning programmes with ETBs. This would include intensive and flexible options; appropriate supports as required (income, transport, child and elder care), work placement where appropriate and progression opportunities.

²⁰ ibid

²¹ SOLAS Skills and Labour Market Research Unit (SLMRU) analysis of CSO (Labour Force Survey data)

²² ibid

Tackle Energy Poverty and Ensure a Just Transition to a Low Carbon Economy

Affordable energy is a basic requirement for a healthy and decent standard of living. Recent years have seen the assistance we give with energy increase significantly due to the energy crisis and persistence on energy poverty. In 2021, we provided €4.2 million in support to households struggling with energy costs and this increased to €7.1 million in 2022. This level of support is reflected in our requests for assistance. Between 2021 and the end of 2023, calls for help with energy have increased by 68%.

SVP members see many households living in conditions that are unacceptable, including living with damp and mold at home, extremely poor heating systems, and usually facing severe limitations, or are completely prevented from, making improvements to their home themselves. In our experience rural households reliant on oil often cannot afford to fill the tank and must resort to buying solid fuel or containers of kerosene which is unsafe and more expensive.

As well as health implication, there are also of course financial consequences to energy poverty as it leads to utility debt or causes households to fall behind on other costs. While for some people a winter of high bills will be painful, but pass, for far too many people SVP meet on a weekly basis, the financial consequences have instead built up, as unpaid bills are added to ongoing usage. This is the group we are most worried about.

The Vincentian MESL Research Centre at SVP has recently conducted research into the cost of heating homes to an adequate level at different BER levels.²³ This showed the depth of energy poverty experienced by low income households and the impact of improving the energy efficiency of their homes.²⁴ Prior to the recent energy price crisis, the MESL research showed that energy costs were typically higher in rural areas due to a greater reliance on home heating oil, but this is now the case for urban households due to the exceptional increase in gas prices.

The recent analysis shows there are significant energy cost savings made at each improvement in a households' BER, in many cases halving the cost of heating the home when moving from an E to an A rating - this leads to a decrease in the depth of energy poverty. However, for many scenarios examined, while improving a house from a very low to

²³ [The cost of adequately heating the home \(budgeting.ie\)](https://budgeting.ie)

²⁴ This research was published in November 2023, based on March 2023 prices.

a very high BER will lift a households out of extreme energy poverty, ie. paying more than 20% of their income, they will still be paying more than 10%, so still in energy poverty using the expenditure based measure. This is also the case for an older person living in a rural area and reliant on home heating oil. Energy poverty is more prevalent and a greater burden when purchasing minimum energy needs by pay-as-you-go.

This overall pattern is due to the inadequate income many households receive in comparison to their essential outgoings, and highlights the need to focus on adequate income supports, such as the Fuel Allowance and core Social Welfare Rates, alongside improvements in energy efficiency – only in combination will energy poverty be alleviated.

Preventing climate breakdown – and adapting to changes that may now be inevitable – will require many areas of our lives to change. As an economy, we must decarbonise production and the world of work. As individuals and communities, we will also see changes in our consumption habits, the way we travel, the way we heat our homes. The increasing costs of energy have made it clear that we must mitigate both the immediate and long-term costs of energy for those on the lowest incomes, and that these policies must reach all who need them.

While some of the short-term measures in the Energy Action Plan are positive, SVP is concerned about the lack of medium and long-term strategic actions needed to tackle energy poverty effectively.

The decision to extend the definition of ‘Vulnerable customer’ to financially vulnerable households. This is an important step in the right direction to making sure people are protected within the energy market.

However, SVP is concerned that there doesn’t seem to be a number of important measures which SVP believes are required to end energy poverty. These include:

- an energy poverty target to drive implementation,
- energy efficiency measures targeted at those in energy poverty living in the private rented sector,
- a scheme of Community Energy Advisors or a specialist Energy Consumer Agency to advocate for energy customers.

Fundamentally the plan needs an ambitious energy poverty target that will make sure the whole of government is working together to make sure people can access essential energy,

this winter and longer term. Energy efficiency supports must extend to people in energy poverty in all housing tenure types, including those in the private rented sector.

We would like to see reducing energy poverty as a key pillar and explicit objective within the National Retrofitting Plan to ensure that the most vulnerable are not left behind. Strategies and mechanisms to increase uptake must be explicitly designed for the requirements and circumstances of low-income people including those who cannot access credit and should include 100% grant funding for those who need it. There are needs to be a plan for the private rented sector that overcomes the split incentive that leaves many tenants paying the price for poorly insulated homes. For tenants at risk of poverty, this situation has real implications on their standard of living, both in terms of finances but also on their physical and mental health. To ensure the private rented sector is included in the significant commitment to retrofit 500,000 homes, we recommend introducing minimum BER standards on a staggered basis to reach BER grade C by 2030.

This significant spend on retrofitting by Government should be used to build the long-term assets and prosperity of communities. The Government should learn from national and international best practice to retain the benefits of investment locally through progressive procurement policies that prioritise local firms that pay a Living Wage and invest in their workforce.

At the root of energy poverty is the reality that too many households do not have sufficient income to meet their basic needs. In the context of high inflation, households reliant on social welfare will see their incomes drop this year as the €12 increase in core social welfare rates will not keep up with increases in the cost of living. To end energy poverty we need to end income inadequacy.

As well as access to adequate heat and light, affordable public transport is fundamental in the transition to sustainability. As part of a just transition, this must include a public transport network that allows those in poverty living rurally to benefit from the change to sustainability. Currently, using a car is often the only way of navigating work and family responsibilities for rural households, meaning that car use is unavoidable: as carbon taxes increase this becomes increasingly unaffordable, and yet there is often no practical alternative. For those on low incomes who are unable to invest in car upgrades, an improved rural public transport network can increase access to work and services, while contributing to a more energy efficient transport system.

Embed Poverty Proofing in Government Policy

Poverty proofing or Poverty Impact Assessment is the process by which government departments, local authorities and State agencies assess policies and programmes at design, implementation and review stages in relation to the likely impact that they will have, or have had, on poverty. Under the Roadmap for Social Inclusion 2020-2025 there is a commitment to retain this process as important part of the regulatory impact assessment process. Importantly, the assessment of impacts of policies on poverty should form an inherent part of the policy making process, rather than an exercise which takes place after a policy has been adopted.

Since its introduction over 20 years ago, poverty proofing has been weak and poorly implemented. The Social Impact Assessment produced by the Department of Social Protection pre- and post-budget is important. However, it is still very difficult to assess the impact that increased Government spending on public services and broader economic policy has on different groups. All Government Departments need to produce an assessment of measures which relate to their own areas so that we can see the impact of all policy and budgetary decisions.

Economic policies affect existing distributive relational and institutional structures and as such have poverty and social outcomes. Fiscal policies, taxation, inflation and labour market policies effect people in poverty in different ways and policies will not be sustainable if they are not equitable. Without mainstreaming of poverty reduction into economic policy, our best efforts are likely to be blunted.

Conclusion

In conclusion, we are recommending that Government allocates sufficient resources to tackle poverty and social exclusion as a priority. Ireland's National Reform Programme must place a strong emphasis on the need to tackle the inequalities that are preventing people from reaching their potential and which are storing up human, economic and social costs for the future. Making the right investments now means we can reduce future expenditure spent dealing with the damage poverty causes.