

Submission to Budget 2008

One in Nine is Far Too Many: End Child Poverty Now

Key Recommendations

Ensuring an adequate income	
Child Income Support	
1.	Introduce a second tier child income support payment, on foot of the NESC study.
2.	Increase all Qualified Child Allowances to €35 per week.
3.	Restore Child Benefit to a universal payment by removing the Habitual Residence Condition.
4.	Increase the rate of payment for those living in Direct Provision Centres to €60 per week for adults and €35 per week for children.
Supporting Low Paid Families	
5.	Increase the income thresholds for Family Income Supplement (FIS) by €60 per week, and increase the income calculation of the payment from 60% of gross income to 70%.
6.	Resource and implement a long-term, high profile media campaign to encourage take-up of FIS. Administer applications and pay FIS automatically where the required data is available through the tax and social welfare systems. This will require an integration of tax and welfare systems.
7.	Increase the earnings disregard for the One-Parent Family Payment to €250 and the earnings ceiling to €500.
Delivering quality services	
Tackling Educational Disadvantage	
8.	Resource and appoint 20 additional Educational Welfare Officers to the National Educational Welfare Board in 2008.
9.	Raise the level of Back to School Clothing and Footwear Allowance (BSCFA) to €250 for children in primary school, and to €350 for those in secondary school.
10.	Use the Family Income Supplement means assessment to determine eligibility for BSCFA i.e. use the FIS income thresholds for both two-parent and one-parent families, and assess income net of tax and PRSI.
11.	Continue and expand funding of the CDU Intercultural Project to provide training and whole-school interculturalism policies to support the integration of pupils from minority ethnic groups, including Travellers.
12.	Introduce universal, quality Early Childhood Care and Education (ECCE) places for all pre-school children (half day session, 5 days a week, 48 weeks a year) in the year before they start primary school.
13.	Where integration of Traveller specific pre-schools takes place, ring-fence relevant budgets in a transparent manner to support intercultural responses in ECCE for Traveller Children.

Ensuring Access to Health Services	
14.	Increase income thresholds for the Full Medical Card to ensure 40% of the population are covered. This should be based on income levels of households.
15.	Implement and fully resource recommendations on child and adolescent mental health services as outlined in the Report of the Expert Working Group on Mental Health Policy, 'A Vision for Change'. This means at least an additional eight child and adolescent Community Mental Health Teams in 2008.
Providing Decent Accommodation	
16.	Invest to achieve a net increase of 10,000 social housing units, which are family friendly and designed for occupation by families with children, in 2008.
17.	Target additional resources to provide greater support for all homeless families with child dependents, ensure that the needs of homeless young people are met and that young people leaving care do not become homeless.
18.	Increase the earnings disregard for Rent Supplement to €100, and reduce the assessment rate to 60%. Use the RAS rent assessment for all those determined eligible for the scheme by their local authority.
19.	Provide a combination of funding and sanctions to ensure that the 17 Local Authorities currently not meeting their own Traveller Accommodation Programme Targets do so by the end of 2009.



The End Child Poverty Coalition (ECPC) works for the eradication of child poverty in Ireland and includes seven leading non-governmental organisations: Barnardos, Children's Rights Alliance, Focus Ireland, National Youth Council of Ireland, OPEN-One Parent Exchange and Network, Pavee Point and the Society of St. Vincent de Paul.

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The End Child Poverty Coalition is supported by the Irish Youth Foundation

INTRODUCTION

Consistent poverty means living in a household on an income below the poverty line, where families cannot afford basic necessities such as adequate food, clothes or heating. It can mean living in poor quality accommodation that is damp and cold, where children have no place to play. It can mean waiting long periods for access to essential health services. It can mean not being able to afford to participate fully in education. It can mean that children can't afford to have fun.

111,129 children in Ireland, or 1 in every 9 children, live in consistent povertyⁱⁱ. Children in Ireland bear a disproportionate burden of poverty - while only 20% of the population, children under 15 account for 30% of all those living in consistent poverty.

Despite being one of the best performing economies in the European Unionⁱⁱⁱ, we are one of the worst performers on child poverty^{iv}. We can do better. This submission makes recommendations designed to ensure that resources are targeted at the 111,000 plus children who need them most. One in nine children in consistent poverty is far too many.

CHILD INCOME SUPPORT

"Children do not experience disadvantage on their own but in the context of their family. ... The challenge of ensuring no children are reared in households which place them below the at-risk-of-poverty income line is primarily a challenge to ensure the adequacy of their parents' incomes."^v

Qualified Child Allowances

For almost 15 years, child income support policy has been focused on increases to universal payments such as Child Benefit, while targeted payments had been frozen until last year. Yet despite significant increases in universal payments, there is still a significant population of children who live in consistent poverty - over 111,000 children.

The End Child Poverty Coalition supports the work of the National Economic and Social Council (NESC) in developing a new, targeted, child income support measure; work which should be completed without further delay. This payment should be available to all low income families, regardless of whether they are in employment or in receipt of a welfare payment. The measure must treat all families on the same level of income equally and must be paid automatically to ensure take-up is not a problem. This will assist the Government to meet its own goal of ending child poverty and assisting the poorest families.

1. Introduce a second tier child income support payment, on foot of the NESC study.

Pending completion of this work, interim measures are required to improve the material position of children living in poverty. The targeted nature of Qualified Child Allowances means that support is delivered more efficiently to the poorest families^{vi}. The Coalition recommends that these are the focus of child income support increases for Budget 2008. Acknowledging the importance of increasing *family* incomes for tackling child poverty, the Coalition supports an increase of €20 per week in adult social welfare rates. To achieve the child income support target in the *National Action Plan for Social Inclusion 2007-2016* – which is 33-35 per cent of the lowest adult social welfare rate - the Coalition recommends Budget 2008:

2. Increase all Qualified Child Allowances to €35 per week.

Child Benefit

The decision in 2004 to apply the Habitual Residence Condition (HRC)^{vii} to the Child Benefit payment yields a minimal saving to the State^{viii}, but continues to have a significant and detrimental impact on the small numbers of children it affects. The denial of Child Benefit reduces dramatically the cash income of children of asylum seekers and separated children seeking asylum. These children are particularly vulnerable, as neither they nor their parents are entitled to work. The Coalition recommends that Budget 2008:

3. Restore Child Benefit as a universal payment by removing the Habitual Residence Condition.

Income support for people living in Direct Provision

In late July 2007, there were 2,279 children living in 'Direct Provision' centres while their, or their family's, application for asylum was processed. People living in Direct Provision centres are entitled to a weekly payment of €19.10 per adult and €9.60 per child. This payment has not been increased since its introduction in 1999 and is wholly inadequate to meet basic day-to-day expenses not covered under the direct provision system (which provides basic food and accommodation). To pay for necessities such as clothing, over-the-counter medicines and supplementary food, the only option open is to apply for Exceptional Needs Payments, under the Supplementary Welfare Allowance system. The decision whether or not to grant such a payment is at the discretion of the Community Welfare Officer. To help families with children participate in society while their applications for asylum are processed, the Coalition recommends that Budget 2008:

- 4. Increase the weekly payment for people living on Direct Provision to €60 per adult and €35 per child.**

SUPPORTING LOW PAID FAMILIES

Family Income Supplement

Low rates of pay and established poverty traps mean some families find that they cannot afford to take up employment^x. Addressing this issue is a critical element in tackling child poverty.

The Coalition believes that the Family Income Supplement (FIS) has the potential to play an important role in addressing child poverty. Research has found that achieving a full take up of FIS would lead to a 3 percentage point reduction in the key 'at risk of poverty' indicator^x. While some positive steps have been taken to increase the take-up rate from current estimates of 30 - 40%, more pro-active strategies could also be employed. One example is an automatic award of the payment where the information to determine eligibility is already retained in the tax and social welfare systems.

In addition, the Coalition believes that increasing the generosity of the payment would further incentivise take-up. Accordingly, the Coalition recommends that Budget 2008:

- 5. Increase the income thresholds for Family Income Supplement (FIS) by €60 per week, and increase the income calculation of the payment from 60% of gross income to 70%**
- 6. Resource and implement a long-term, high profile media campaign to encourage take-up of FIS. Pay FIS automatically where the required data is available in the tax and social welfare systems. This will require an integration of tax and welfare systems.**

One-Parent Family Payment

The earnings assessment for the One-Parent Family Payment is intended "to cover employment related expenses including childcare and to enable lone parents to more easily assess the implications of taking up employment or training"^{xi} (Department of Social and Family Affairs 2000: 41).

When the One-Parent Family Payment was introduced in 1997, it incorporated an earnings disregard of €146.50, and an earnings ceiling of €293; these were then equivalent to approximately 40% and 80% of average industrial earnings respectively. Despite increases to the earnings ceiling in recent Budgets, the disregard and ceiling have lost substantial value, currently being worth approximately 23% and 63% of average industrial earnings respectively. This loss of value has occurred in the context of significant increases in childcare costs, making it more and more difficult for lone parents to participate in employment or training.

Accordingly, the Coalition recommends that the value of the disregard and ceiling be restored in Budget 2008:

- 7. Increase the earnings disregard for the One-Parent Family Payment to €250, and the earnings ceiling to €500.**

TACKLING EDUCATIONAL DISADVANTAGE

Education affords children the possibility to break out of the cycle of poverty and can open up many opportunities in life.

Educational Welfare Officers

Ireland's level of early school leaving remains high and, unabated, will contribute to ongoing social and economic problems in the years ahead. Despite Government policy focusing strongly on addressing educational disadvantage and early school leaving over the years, a significant proportion of young people continue to leave upper second level without a qualification.

The current Social Partnership Agreement, *Towards 2016*, promises additional resources to provide for the appointment of 100 extra staff between the National Education Welfare Board (NEWB) and National Educational Psychological Service (NEPS) by 2009.

Last year, Budget 2007 provided a 20% increase in the funding for the NEWB to appoint an additional 20 staff in 2007. It is vital that this funding is continued and enhanced. The Coalition recommends that Budget 2008:

8. Resource the appointment of 20 additional Educational Welfare Officers to the National Educational Welfare Board in 2008.

Back to School Clothing and Footwear Allowance

The high costs associated with educational participation can contribute significantly to educational disadvantage: the Combat Poverty Agency's study *Against All Odds* (2002) highlighted the impact of high costs of educational participation on a child's ability to remain in school; Bank of Ireland Life estimated that the annual cost of sending a child to primary school is €500, and to secondary school €800^{xii}. The Back to School Clothing and Footwear Allowance (BSCFA), the social welfare payment designed to support families with such costs, has seen increases in recent years. However, many lone parents fail to qualify for the payment as a much lower income threshold is used to determine their eligibility, and so have been unable to benefit from these increases. To support low income families with the costs associated with school, and to reduce educational disadvantage, the Coalition recommends Budget 2008:

9. Raise the level of the Back to School Clothing and Footwear Allowance (BSCFA) payment (by €70) to €250 for primary school children, and (by €65) to €350 for secondary school children.

10. Use the Family Income Supplement means assessment to determine eligibility for BSCFA i.e. use the same FIS threshold for both two-parent and one-parent families, and assess income net of tax and PRSI.

Interculturalism in schools

Interculturalism is an increasingly important issue in education, encompassing the needs of both established minority groups such as Travellers, as well as new communities in Ireland. The Intercultural Project based in the Department of Education and Sciences' Curriculum Development Unit (CDU) works to develop whole school policies on interculturalism. While the funding for this project is ending, the need for such work grows. Supports to deliver whole school intercultural policies need to be expanded in geographic scope, and to include the provision of training supports. Accordingly, the Coalition recommends that Budget 2008:

11. Continue and expand funding of the CDU Intercultural Project to provide training and whole-school policies in interculturalism to support the integration of minority pupils, including Travellers.

Early Childhood Care and Education (ECCE)

Early childhood care and education is critically important because of two key reasons: it can meet many of a child's needs at a crucial time in their development, and it can help children develop the social skills needed to participate fully in primary school. There is a need to build on the existing early years services to strengthen their quality and to improve access and affordability. Accordingly the Coalition calls for the implementation of the National Economic and Social Forum (NESF) recommendation in relation to ECCE^{xiii} and recommends that Budget 2008:

- 12. Introduce universal, quality Early Childhood Care and Education (ECCE) places for all pre-school children (half day session, 5 days a week, 48 weeks a year) in the year before they start primary school.**
- 13. Where integration of Traveller specific pre-schools takes place, ring-fence relevant budgets in a transparent manner to support intercultural responses in ECCE for Traveller Children.**

ENSURING ACCESS TO HEALTH SERVICES

Medical Cards

Poverty and poor health are interlinked: those living in poverty experience worse health than the rest of the population and die younger. The Coalition believes access to healthcare must be based on need, rather than on a household's ability to pay. However, families in low paid employment can find their household resources under considerable strain when faced with the relatively high costs of general practitioner's and hospital fees, as well as prescription expenses which are 19% above the EU average^{xiv}. An IMO study on this issue has found that increasing access to Medical Cards is the most immediate and effective measure to reduce health inequalities and improve access to health care for low income groups^{xv}. Accordingly the Coalition recommends that Budget 2008 increase the income thresholds that determine eligibility so that:

- 14. The income eligibility threshold for Full Medical Card should be amended so that 40% of the population become eligible for coverage, based on the lowest incomes.^{xvi}**

Mental Health Services

At any one time, 20% of children aged 0 – 15 in the State have a mental health or behavioural disorder^{xvii} and those living in poverty are more likely to experience mental health issues^{xviii}. Yet the statutory services for children and young people who are suffering from a mental health difficulty are inadequate to the task, and vastly under resourced. The Coalition calls on Budget 2008 to:

- 15. Implement and fully resource the recommendations in relation to child and adolescent mental health services as outlined in the Report, 'A Vision for Change'. This means at least an additional eight child and adolescent Community Mental Health Teams in 2008.**

BUILD SUFFICIENT SOCIAL HOUSING AND END YOUTH HOMELESSNESS

Providing adequate social housing and ending youth homelessness

The 2005 Assessment of Housing Need (AHN) found 43,684 households in need of social housing and accommodation. Over half of these households (51.1%) contain children, meaning that at least 35,954 children are in need of decent homes^{xix}. At least 463 children were part of homeless households. The majority of these children (328) were under age 12. Alarming, as in 2002, almost one in every second homeless child in Dublin is under 5 years of age^{xx}.

While youth homelessness has declined from the peak it reached in the late nineties, there is still no room for complacency. Figures compiled by the Health Service Executive (HSE) and Department of Health and Children in August 2006 found that the number of homeless children, out of the care of any family member, had risen to 492 from the 2003 figure of 476. The majority of these children

were in their mid-to-late teens; however 22 homeless children were under the age of 12^{xxi}. These children are additional to the 463 children living in homeless families.

Many people who are out of home are not ready to sustain themselves in an independent living environment. This can be because of mental health issues, addiction or a need to develop certain life skills. Budget 2008 provides an opportunity to invest in supported housing to ensure long-term supported accommodation is available to vulnerable groups.

These figures make clear that a crisis of unmet housing need and homelessness remains. The Coalition calls on government to deliver on commitments made in a range of policy frameworks, including *Towards 2016*. The Coalition supports the recommendation made by the National Economic and Social Council (NESC) that an additional 73,000 units of new social housing be provided between 2005 and 2012^{xxii}. To progress this target and to help end housing need and homelessness, the Coalition recommends Budget 2008:

- 16. Provides investment to achieve a net increase of 10,000 social housing units, which are family friendly and designed for occupation by families with children, in 2008.**
- 17. Targets additional resources to provide greater support for all homeless families with child dependents; ensure that the needs of homeless young people are met and that young people leaving care do not become homeless.**

Rent Supplement

Almost a quarter of Rent Supplement claimants are one parent families, where child poverty levels are disproportionately high. Budget 2007 made useful progress on tackling the poverty and unemployment traps facing people reliant on Rent Supplement to meet their housing costs. These changes were made in the context of continued implementation of the Rental Accommodation Scheme (RAS), data from which is already demonstrating a very positive impact on employment participation. To support families reliant on Rent Supplement to engage in employment, the Coalition recommends that Budget 2008:

- 18. Increase the earnings disregard for Rent Supplement to €100, and reduce the assessment rate to 60%. Use the RAS rent assessment for all those determined eligible for the scheme by their local authority.**

Meeting commitments on Traveller Accommodation

629 Traveller families are currently living on the roadside, and a further 391 families are living in shared accommodation^{xxiii} i.e. more than one family in a dwelling designed for a single family. 17 Local Authorities are currently not meeting their own Traveller Accommodation Programme (2005 – 2009) Targets^{xxiv}. The Coalition therefore recommends that Budget 2008:

- 19. Provide a combination of funding and sanctions to ensure that the 17 Local Authorities currently not meeting their own Traveller Accommodation Programme Targets do so by the end of 2009.**

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Endnotes

- i Layte et al (2007) *Poor Prescriptions, Poverty and Access to Community Health Services*, Combat Poverty Agency Research Series No. 40, Dublin.
- ii Children defined as aged 0-17, based on analysis of data from Census 2006 and EU-SILC 2005, both published by the Central Statistics Office.
- iii Central Statistics Office (2007) *Measuring Ireland's Progress, 2006*
- iv Callan et al (2006) *Child Poverty and Child Income Supports: Ireland in a Comparative Perspective* in 'Budget Perspectives 2007', ESRI: Dublin
- v National Economic & Social Council (2005) *The Developmental Welfare State* p.215, Stationary Office: Dublin
- vi 70% of Qualified Child Allowances are paid to families in receipt of means tested payments
- vii The Habitual Residency Condition (HRC) demands a social welfare applicant prove that they have "been present in Ireland for 2 years or more, works here and has a settled intention to remain in Ireland and make it his/her permanent home". It is assumed that a person is *not* habitually resident unless they prove the contrary. However, two years' continuous residence does not automatically mean the HRC has been satisfied; in fact there are no criteria that may be relied upon to prove habitual residence.
- viii In 2006 the Child Benefit payment was paid in respect of 1,083,980 children. All newly arrived asylum seeking children are denied Child Benefit. There are 6,000 asylum seekers, 1,927 of them children, living in fifty Direct Provision centres.
- ix Loftus, C. (2005) *'Out of the Traps – ending poverty traps and making work pay for people in poverty'* Dublin, One Parent Exchange Network and the European Anti-Poverty Network.
- x Callan, T. Coleman, K., Nolan, B. and Walsh, J.R. 'Child Poverty and Child Income Supports: Ireland in Comparative Perspective' in Callan, T (Ed) *Budget Perspectives 2007*, Dublin, Economic and Social Research Institute and The Foundation for Fiscal Studies.
- xi Department of Social and Family Affairs (2000) *Review of the One-parent Family Payment* Stationary Office: Dublin, p. 41
- xii Irish Times, 10th August 2007
- xiii National Economic and Social Forum (2005) *Early Childhood Care and Education*, Report No. 31, Dublin, NESF.
- xiv Eurostat quoted in the Irish Times April 2007
- xv Layte, R., Nolan, A., & Nolan B. (2007) *Poor Prescriptions: Poverty and Access to Community Health Services*. Dublin, Combat Poverty Agency
- xvi Irish Medical Organisation (2005) *IMO Position Paper on Medical Card Eligibility*, Irish Medical Organisation, Dublin.
- xvii Irish College of Psychiatrists, (2004) *A Better Future Now*, Dublin
- xviii Consultations with service users for *A Vision for Change* found that 68% people with mental health issues were dependent on some form of social welfare.
- xix Figure calculated from the official Assessment of Housing Need (AHN) data released in July 2006 by the Department of Environment, Heritage and Local Government. Data for households with more than 5 children were not published therefore our figure can be taken to be an under-estimate of the overall number of children in housing need.
- xx Homeless Agency (2006) *Counted In 2005*, Dublin, Homeless Agency. In March 2005, the number of dependent children under 5 years of age in homeless households in Dublin was 184. This is 41% of the total number of homeless children recorded at the time.
- xxi As reported by Carl O'Brien in *Irish Times* 29th August 2006.
- xxii National Economic and Social Council, (2004) *Housing in Ireland: Performance and Policy*, Report No. 112, Dublin, NESF.
- xxiii Department of the Environment, Heritage and Local Government (2007) *2006 Annual Housing Statistics Bulletin*, DoEHLG, Ireland
- xxiv Irish Traveller Movement, (2006) *Broken Promises - An analysis of Traveller Accommodation Provision*, ITM, Dublin