



Society of St Vincent de Paul

Presentation to the Oireachtas Joint Committee on Social Protection

27 September 2016

Introduction

The Society of St Vincent de Paul welcomes the opportunity to make a presentation to the Joint Committee on our Pre Budget Submission 2017. Through direct and personal contact with those in need, SVP members see how inadequate incomes, both for those in low paid employment and those reliant on social welfare payments, as well as lack of access to quality services damage people's prospects and lives. An average of over 2,300 requests for assistance were received by our 8 regional offices each week in 2015. Our 11,000 members visit people in their homes across Ireland. They see at first hand how the housing and homelessness crisis, child poverty, educational disadvantage and the constant struggle of trying to make ends meet affects individuals and families.

In 2014, SVP spent over €40 million providing direct assistance to households. Cash assistance, vouchers and food accounted for more than half of this expenditure, while €8.8 million was spent on helping households with their energy costs and €4.6 million on education costs. Our expenditure direct to households in need has increased by 27% since 2009.

Working for social justice is a cornerstone of the SVP's mission and work, alongside home visitation and empowering people to access education, training and other 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. SVP welcomes the fall in unemployment and the return to economic growth. We believe that social and economic progress go hand in hand, with investment in quality public services and income supports yielding benefits to both the economy and the common good.

Our Pre Budget Submission 2017 focuses on four priority areas:

- Income adequacy
- Housing
- Early years, childcare and afterschool care
- Affordable energy

In the area of income adequacy we are especially concerned about families with children and in particular one parent families. One parent families are the largest group requesting assistance from SVP and they experience extremely high rates of poverty and deprivation. In 2014 22.1% of lone parents experienced consistent poverty, and 58.6% experienced material deprivation. 11.2% of children in Ireland are living in consistent poverty. Government is committed to lifting 97,000 children out of consistent poverty by 2020 and we believe that tackling poverty among one parent families is key if this ambitious target is to be met.

The reforms to the One Parent Family Payment have resulted in both winners and losers. Unfortunately it appears that there have been more losers than winners, and many of those who have lost out because of the reform have been lone parents in employment. I have outlined below the main concerns with the reform that lone parents have highlighted to us. For time reasons I will not go through them now, but I am happy to take any questions that arise.

Our policy priorities for the Minister for Social Protection in Budget 2017 are as follows:

- 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. This is currently payable to lone parents of children aged under 14 and should be extended to lone parents of older children undertaking education or training.
- Lone parents in receipt of Rent Supplement must decide whether to remain on OFP/JST and receive the Maintenance Grant but lose their Rent Supplement or to transfer to the BTEA and keep their Rent Supplement. SVP recommends that lone parents in this situation should be allowed to retain their OFP/JST and Rent Supplement and the Maintenance Grant for the duration of their education/training course.
- Target any increases in Child Benefit towards children aged 12 years and older, in recognition of the high costs faced by families with older children. The decision to remove Child Benefit from 18 year olds in full time education has placed a heavy burden on low income families.
- Protect the current rates of the Fuel Allowance and Household Benefits package
- Support and adequately fund the project management of the Personal Micro-Credit Initiative. In this regard, SVP welcomes the decision to roll out the pilot scheme to credit unions across Ireland as a more affordable alternative to moneylenders.

Our policy priorities for the Minister for Social Protection should be read in the context of our entire pre budget submission which emphasises investment in public services and supports over reducing taxes, and seeks a balance between investing in public services and income supports in order to tackle poverty and improve the lives of the people we assist.

The Society of St Vincent de Paul

The Society of St Vincent de Paul 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 a volunteer-based, volunteer-led organisation.

Financial information, selected years:

	Total incoming resources	Assistance direct to households through visitation	Management, admin and generation of funds	Total resources expended
2014	€78.4 million	€40.3 million	€8.4 million	€79.8 million
2010	€73.3 million	€38.6 million	€7.5 million	€74.3 million
2009	€73.9 million	€31.7 million	€7.1 million	€66.6 million

Special works:

- Shops: 199, 4,500 volunteers, sales of €21.4 million for 2015
- Emergency accommodation: 10 units, 300 beds, 147 staff. Located in Longford, Carlow, Limerick, Wexford, Waterford, Ennis, Cork, Letterkenny
- Social housing: 1,000 units, 740 volunteers, 14 staff
- Resource centres: 7. Dublin, Ballina, Castleisland, Cavan, Carrigtowhill, Tuam, Galway
- Prison visitor centres: 3
- Children's/Young Adult Services: 6 youth clubs in Dublin, residential breaks in Sunshine House and Knockadoon, Early Childhood services in Dublin, Waterford, Lurgan, Belfast, Carrigtowhill, Castleisland.
- Day centres for older people, various meals on wheels services, Seafarer's Club in Dublin

Summary of the impact of the reforms to the One Parent Family Payment

The main impacts of the reform of the OFP 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. Most of the changes impact negatively on lone parents who are already in employment and can be summarised as follows:

- The One Parent Family Payment (OFP) and Family Income Supplement (FIS) are payable together to lone parents who are in employment and who meet the conditions for both payments. However, Jobseekers Transition (JST) or Jobseekers Allowance (JA) is not payable with Family Income Supplement to lone parents in employment. This results in a major loss of income for lone parents in employment who qualify for FIS when their eligibility for the One Parent Family Payment ends. It also means that much reduced in-work income support is available to lone parents of older children who are considering taking up employment.
- The Back to Work Family Dividend is only a temporary support and families who are nearing the end of their eligibility for this payment are very concerned at the impact that this loss of income will have on their family.
- The earnings disregard for Jobseekers Allowance is lower than that for OFP and JST. This means that a lone parent in employment who moves from JST to JA will see a reduction in their income.
- The Fuel Allowance is payable with the One Parent Family Payment, and to lone parents who transfer from OFP to JST or JA. However, lone parents in employment who lose entitlement to OFP and choose to receive FIS rather than JST or JA have lost the Fuel Allowance payment.
- Self-employed lone parents who lose the OFP cannot qualify for Family Income Supplement.
- Lone parents who wish to take up education and are receiving OFP or JST can retain their social welfare payment and receive a SUSI maintenance grant as long as they are not receiving Rent Supplement. However, lone parents in the same situation but in receipt of JA cannot undertake an educational course, and must instead transfer to the Back to Education Allowance (BTEA). The maintenance grant is not payable with BTEA.

Issues around Rent Supplement, while not directly related to the reform of the One Parent Family Payment have also arisen. These combine with the reforms to make it more difficult for lone parents to take up education or training or increase their working hours, as follows:

- Lone parents in receipt of Rent Supplement cannot undertake an educational course unless they transfer to BTEA. The maintenance grant is not payable and course options are more limited with the BTEA.
- Lone parents in receipt of Rent Supplement who increase their working hours to qualify for FIS may lose a large proportion of the increase in income through a reduction in Rent

Supplement support. Rent supplement calculations do not take into consideration the additional costs of working extra hours (childcare, transport etc) making it more difficult for lone parents to increase their overall take home pay through increasing their hours of employment.