

**Opening Statement on Lone Parent Reforms for
The JOC on Social Protection
Thursday 12 January 2017**

Thank you Chairman,

My name is Simonetta Ryan, Assistant Secretary in the Department of Social Protection and I would like to thank the Committee for the invitation today to further discuss the Department's supports for lone parents. I am joined today by my colleagues Niall Egan - Principal Officer of Working Age and Child Income Policy and Erika Klein - Assistant Principal Officer of Working Age and Child Income Policy and Fiona Ward - Divisional Manager of the Dublin South Division.

My opening statement today is an update for the Committee on progress made with some of the issues previously raised, and changes that have occurred affecting lone parents since our last appearance. At our last appearance we discussed the significant reforms to the One-Parent Family Payment which have been underway since Budget 2011 and have seen the age of the youngest child for receipt of the payment gradually reduce to 7 years of age. I know that the Committee has met several times since our appearance last October and has spoken with a variety of representative bodies in the intervening period.

I stated at our last appearance that it will take several years before the full impact of the reforms can be assessed. This is due to the fact that lone parents on foot of the reforms will take up education, training or employment support programmes which will take time for them to complete.

The Department has begun engaging with lone parents whose youngest child is seven years and older, on a proactive and supported basis. To date over 9,000 lone parents, of the 14,500 lone parents who are on the Jobseeker's Transitional payment, have been selected for activation. This is double the numbers of lone parents who were selected for activation in October 2016.

This is the first time that the Department has actively engaged with lone parents on this scale with a view to improving their circumstances through access to education, training and employment supports. This is a very significant step forward in addressing the poverty rates for these families. Over 6,000 of those 9,000 lone parents are in the activation phase which means that they have already been selected for activation and have been case managed, are scheduled for an engagement or are awaiting an appointment time. The remaining 3,000 individuals have been fully case managed which means they have met with a case officer, have agreed a personal plan and are progressing with this plan which includes moving into education and training on foot of their engagement.

Since our last appearance the Department has continued to meet with lone parent representative groups in a number of different fora. One of the issues raised related to training supports for lone parents and some of the lone parent representative groups raised a concern with the Department about lone parents participating in ETB or VTOS courses who were in receipt of the Jobseeker's Transitional Payment. Once these individuals commenced on these courses they were transferred to a training allowance administered by the Department of Education and Skills.

The potential difficulty highlighted to us was that the rules for payment of the VTOS or ETB allowance were related to attendance at the course. This could have resulted in a reduced payment for a lone parent where s/he could not always attend perhaps due to the ill-health of their child or other unexpected circumstances. The Department reviewed this situation

internally and with the Department of Education and Skills. On the 16th November 2015 an instruction was issued to all Intreo offices to continue payment of the Jobseeker's Transitional Payment to lone parents undertaking such courses rather than moving them to a training allowance.

At our last appearance my colleague Fiona Ward provided the Committee with an update on the engagements with lone parents in her Division including some of the customised training that had been organised. These engagements have continued with some very positive results. For example, the Department's case officers liaised with Tallaght ETB who then developed a programme called "Pre-Employment" (Return to Work) specifically tailored to lone parents on the Jobseeker's Transitional Payment. The course ran from October to December 2016 with 16 participants - 2 of whom secured employment and many of whom now wish to progress to other courses and employment. This course will run again from February this year. Invitations also issued to lone parents for events targeted to their needs such as a Jobs Week 'Transitioning Back to the Workforce' information morning. Ms. Ward will be happy to provide the Committee with more detail on this item today.

As the Committee is aware the Department of Education and Skills are taking the lead on a Programme for Government commitment to carry out independent research on the barriers to third level for lone parents. The Department of Education and Skills selected researchers from NUI Maynooth to carry out this work. Our Department has been consulted along with officials from that Department, the Department of Children and Youth Affairs and the researchers from NUI Maynooth. A draft report was received and considered in late September 2016. The Department of Education and Skills accepted at that stage that the timeframe was extremely short for delivery of the report and that with more time the output would be more worthwhile. A second draft was circulated by the Department of Education and Skills late last week and we will be reviewing that as soon as feasible. I would like to reassure the Committee that while the report was not completed within the planned timeframe it was sufficiently progressed during 2016 to help inform relevant Budget 2017 discussions.

Budget 2017 continued to build on the improvements that were implemented for lone parents in Budget 2015 and 2016 and resulted in further increases in overall income for lone parents. The measures that benefit lone parents include:

- A €5 increase in the rate of the One-Parent Family Payment, Jobseeker's Transitional Payment, Jobseeker's Allowance and the Back to Education Allowance with effect from March 2017;
- A new €500 Cost of Education Allowance per annum for parents, including lone parents, in receipt of Back to Education Allowance;
- The Income disregard for parents getting the One-Parent Family Payment and the Jobseeker's Transitional Payment was increased by €20 per week from €90 to €110 with effect from 5th January 2017;
- A Christmas Bonus of 85% was paid in early December;
- Also the National Minimum Wage has increased to €9.25 an hour, which may benefit some lone parents working outside the home.

The increase to the One-Parent Family Payment and Jobseeker's Transitional Payment income disregards which took effect from 5th January benefitted approximately 17,500 lone parents.

On foot of the measures for lone parents contained in Budget 2017, a lone parent on the Jobseeker's Transitional Payment working 15 hours at the national minimum wage will see an increase in their overall income of almost €15 per week (or €780 per annum) from approximately €332 in 2016 to €347 in 2017. This is as a result of the increase in the national minimum wage, the increase in the income disregard on this payment and the rate increase of €5 per week. Since 2015 this lone parent will see an increase of almost €43 per week or over €2,200 per annum between take home pay and State support.

A lone parent on the One-Parent Family Payment working 15 hours at the national minimum wage will see an increase in their overall income of almost €16 per week (or over €830 per annum) from approximately €338 in 2016 to €354 in 2017. This is as a result of the increase in the national minimum wage, the increase in the income disregard on this payment and the rate increase of €5 per week.

A Social impact assessment, using the ESRI SWITCH model on a non-indexed basis, of the Social Welfare Budget package finds that people who are in lower income quintile gain the most from Budget 2017 measures. This includes lone parents. The ESRI recognises explicitly that this was as a result of the inclusion of the weekly rate increase for working age rates of payment.

In the case of lone parents the Department's social impact assessment of the impact of Budget 2017 shows an increase of 1.2%, for working lone parents, and 4.5% for those who are not working. This represents a cumulative increase across Budgets 2015, 2016 and 2017 of 4% for working lone parents and 6.9% for lone parents who are not working, which is substantially above the cumulative gain for average households of 3.3%. This shows definite progress with the commitment to reducing poverty for lone parents and their families.

The Single Affordable Childcare Scheme being provided by the Government will also significantly improve the provision and cost of childcare for lone parents and is a step change in State support for childcare in Ireland. This will assist lone parents in low income employment. The Department is contributing to the work underway in the Department of Children and Youth Affairs on this new scheme.

Separate to the specific measures introduced in the Budget the Committee will be aware that as part of the debate on the Social Welfare Bill 2016, the Minister for Social Protection agreed to undertake a number of different reports across a range of areas. The Minister agreed that the Department would commission an independent report on the One-Parent Family

Payment reforms and this commitment was included in the Act. The report is to examine the financial and social effects of the amendments to the scheme made since 1 January 2012, taking into account the poverty rates and welfare dependency of those impacted by the reforms. The Minister committed to producing the report as quickly as possible and no later than August 2017, as it will be required to feed into Budget 2018 discussions.

The Department has since prioritised this work within the One-Parent Family Payment policy unit. A Request for Tender (RFT) is being issued with the relevant procurement rules, procedures and timeframes that apply. The Department has been in discussions with the Office of Government Procurement (OGP) to determine if the RFT can be issued within one of their existing frameworks. If possible this would be the most efficient and effective way of procuring the required review. The OGP advised that the best approach is to issue an outline of the RFT to potential providers engaged under their framework seeking expressions of interest. The Department supplied the necessary outline to the OGP on 19 December 2016 and the request for expressions of interest issued from the OGP on 20 December 2016 with a closing date of 11 January 2017.

The Department will be consulting with the OGP in the coming days on the results of this process and the next steps. Any procurement process is time consuming and must adhere to the relevant procurement rules with regard to the process, timelines and evaluation of proposals. The timeframe for this report is therefore ambitious but the Department is making every effort to progress this as quickly as possible while adhering to the procurement rules.

In conclusion the Department is continuing to work on all items related to lone parents. I have outlined in my statement the main areas of progress since the last Committee meeting we attended in October 2016. Thank you for your time and I and my colleagues are happy to answer any questions you may have.

ENDS.