

SOCIAL POLICY UPDATE

Budget 2020 Outcomes



Budget 2020 Outcomes and CIB Pre-Budget Submission *What we looked for and what was provided?*

Budget 2020 provisions, as announced on 8 October, contain a number of measures that reflect issues that were raised in the CIB Pre-Budget Submission - *'Meeting Basic Living Costs'*. The extent to which many of the concerns that were raised by services featured in the Government's budgetary provisions for 2020 is reflective of the relevance and impact of the work of delivery services through the country.

The CIB submission set out a series of recommendations that focussed on targeted measures across a range of areas that could make life easier for people as they struggle to deal with basic household expenditure. For many of the clients using information and money advice services, there is an ongoing pressure to match household income (whether that is pay or benefits or a mixture of both) with a variety of costs (such as housing, childcare, healthcare, debt or utility bills).

While the main elements of Budget 2020 focussed on Brexit contingency planning and climate action, a range of targeted social protection changes were the focus for an additional €690 million allocation to the Department of Employment Affairs and Social Protection (DEASP).








This includes changes to **Jobseeker's Allowance (JA) rates for those aged 25 and under**. Specifically, those aged 25 in receipt of JA will now receive the full rate (that is, from €157.80 to €203) and those in receipt of JA who are living independently and in receipt of State supports (such as Rent Supplement, RAS or HAP) will also receive the full rate of JA. The SWA rate for these people will also increase accordingly.



The CIB submission highlighted the difficult situation for many jobseekers under the age of 26 who are living on the reduced rate of Jobseeker's Allowance (with particular difficulties experienced by young claimants who cannot live in the family home) and our recommendations included the phasing out and equalising of the reduced rate of jobseeker's payments for the under 26's.

Other changes of note include:-

-  Increase in **qualified child payments** by €3 for over-12s and €2 for under 12s. Our Budget 2020 submission called for an increase in IQC payments (with a proportional increase for recipients with children over the age of 12) as a targeted approach to support low income families;
-  The **earnings disregard for working lone parents** in receipt of the One Parent Family Payment (and Jobseeker's Transition Payment) will increase by €15 to €165 from January 2020. The need to increase the income disregards for those on the OFP and Jobseeker's Transitional (JST) payment was recommended in the CIB submission as part of an ongoing effort to ensure that lone parents are helped to transition to part-time or full-time work;
-  **Working Family Payment (WFP) thresholds** will increase by €10 per week. While the CIB submission recommended a reduction in the working hours threshold for this payment, it is anticipated that this changed income threshold will benefit some 55,000 families in 2020;
-  An increase in the **number of hours of work (or study) that recipients of Carer's Allowance** can engage in outside the home from 15 to 18½. The CIB submission highlighted that the 15 hour limit, in many cases, can restrict a carer's ability to either supplement their income or to upskill or retrain and called for an increase in the hours that recipients of CA are allowed to work or study whilst retaining their caring role.
-  The CIB Submission highlighted the role that secondary benefits play in meeting basic essential living costs in addition to core welfare payments, but that issues of adequacy, complexity and awareness persist amongst many clients.

In this context, we welcome the **€5 increase in the Living Alone Allowance** (from €9 to €14), the extension of **qualifying criteria for the Household Benefits Package** for people aged under 70 to allow another adult to live in the home and also the payment of the **Christmas Bonus** (at 100%) to all recipients of a long-term social welfare payment in December 2019.

In recent years, CIB submissions have raised the issue of extending activation measures to the "hidden unemployed" and in Budget 2020, Minister Regina Doherty indicated that €2 million will be allocated for **activation measures for specific groups who are "distant" from the labour market** - which specific reference made to the development of "return-ships" for women who have taken time out of the workforce to raise children and targeted activation measures for Travellers, Roma and ex-offenders.

The introduction of a 30 cent increase to the **minimum wage** has been deferred and a decision on when the increase will commence will be made when the outcome of the Brexit negotiations becomes clear.

The CIB Pre-Budget Submission also highlighted the issue of **fuel poverty** as being significant for many CIS and MABS clients and called for a more integrated, multi-dimensional approach in tackling the issue. Our recommendations included the need for regulation and action on energy processes, targeted financial support to certain households (lone parents, older people and unemployed people) and the need to address energy poverty issues amongst Travellers living in sub-standard accommodation.



Whilst the increase of **€2 in the weekly rate of Fuel Allowance** is welcomed (and the delay until May 2020 of the rollout of the carbon tax changes on home heating fuel) it remains that ever-increasing fuel costs and energy inefficient homes will continue to lessen the impact of rate increases.

The CIB submission suggested the development of a range of sustainable financial arrangements (such as low cost finance options) for low income households in order to fund retro-fitting.



In this context, we look forward to the roll-out of the various elements of the funding packages announced in Budget 2020 aimed at improving energy efficiency of homes - this includes **€25 million to support and improve the energy efficiency of social housing** and an additional €20 million from the proceeds of the carbon tax to begin a programme of deep retro-fitting social housing homes in the midlands. In addition, **€13 million is being allocated for the Warmer Homes Scheme** to provide free energy efficiency upgrades to households deemed to be in, or at risk of, energy poverty.

With regard to broader **housing measures**, capital funding of €1.5 billion is to be allocated for the building, acquiring and leasing of social housing. The Minister for Finance also signaled in his speech that the government would engage with credit unions on 'appropriate mechanisms' to invest in approved housing bodies.



The CIB submission highlighted that the main concerns around housing are the low level of social housing stock and the length of time that tenants are spending on social housing waiting lists.

Funding for the **Housing Assistance Payment** is to increase by €80 million (to €503 million), with €133 million being provided for the Rental Accommodation Scheme (which will go towards maintaining some 18,700 households in the scheme) and €14.5 million will go towards the delivery of Traveller-specific accommodation. Over-and-above these broad programmes, the Department of Housing also announced the following specific funding allocations:-

- An increase of €20 million for the provision of **homeless services**. This brings the total allocation to €166 million which funds emergency accommodation, long-term supports and day services. **The CIB submission referenced clients' experiences of homelessness - in particular, difficulties in accessing emergency accommodation and the problems for families living in unsuitable accommodation;**
- An increase in funding of €2 million to the **Residential Tenancies Board (RTB)** to fully enforce compliance with tenancy protection measures and the restrictions in Rent Pressure Zones;
- An increase of €1.5 million for **local authorities** to achieve their inspection targets under the Strategy for the Rental Sector, with the long-term goal of achieving a 25% annual inspection coverage rate by 2021. **Our submission highlighted the ongoing concerns around the monitoring and enforcement of minimum standards in relation to HAP properties and recommended the provision of adequate resources to local authorities for the administration of the HAP scheme and also for the monitoring and enforcement of minimum standards.**

Other housing-related budget measures included an increase of €2m in funding for housing adaptations for older people and people with a disability (bringing total funding for the scheme to €59 million) which is expected to deliver up to 12,000 grants.



Our submission sought the provision of increased resources to local authorities to fund the Housing Adaptation Grants for Older people and Mobility Aids Grants Scheme.



Some of the key budget provisions in relation to **health care** included free GP care for children under eight (and free dental care for children under six) and an increase in medical card income thresholds for the over 70s (by €50 for a single person or €150 for a couple per week). There will also be an increase of €52 million in the funding for the HSE's Home Support Service, which will allow for the provision of an additional one million home support hours (to a total of 19.2 million). Part of this allocation will fund

the piloting or testing of the proposed new Statutory Home Care Scheme during 2020.

The CIB submission had sought the provision of increased funding for the provision of personal assistance hours, home help and home care packages and the establishment of a new homecare scheme on a statutory basis.



Given the scale and reach of our delivery services and the extent of interactions with individuals and families as they seek to access a range of supports and services, we are gratified that the evidence provided by our delivery services throughout the country continues to offer an authoritative basis to inform policy decisions across a range of areas such as social welfare, housing, health and social care services and responses to over-indebtedness and financial exclusion.

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