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Foreword by SVP National President

Like every other time of national crisis in our 177-year-old history, we have continued to help people in need throughout the pandemic. We provided support to thousands of families on low or reduced incomes struggling to put food on the table, helped with heating on cold nights and assisted with internet bills and digital devices so children could keep up with school.



This pandemic has shone a light on Ireland's incredible capacity for compassion as the Government, state agencies and community organisations worked together in the interest of the common good. It has also shone a light on, and in many cases, made worse our society's systemic problems like poverty, educational inequality, and inadequate housing, and the different experiences people have had as a result.

We can hopefully all look forward to returning to our normal routines in the coming months as we reconnect with our friends, families, colleagues, and our communities. However, we must not return to the pre-pandemic "normality" where almost a quarter of children are experiencing deprivation; where thousands of people have no where to call home and many more are experiencing hidden homelessness doubling up with friends and family or living in poor quality housing; where over 240,000 people cannot afford to heat their homes; and where a young person from a disadvantaged area has a less than one-in-seven chance of going to third level.

As we look beyond the pandemic, we are asking policymakers to build a better and more equal Ireland on solid foundations.

A fundamental foundation is ensuring that everyone has a place to call home. It is impossible to build a good life without access to decent, affordable, warm, and secure housing.

Investing in a good quality education system, from preschool to university and also adult education, gives everyone the foundation to reach their potential.

We also need to make sure our social protection system works for everyone, that it allows all to meet their minimum needs to live with dignity and provides an anchor for people to access good quality jobs and participate in society.

In a compassionate and just society, we put things right, not just now for those who need it but also in the future. Budget 2022 must lay the foundations to give everyone the opportunity to thrive.

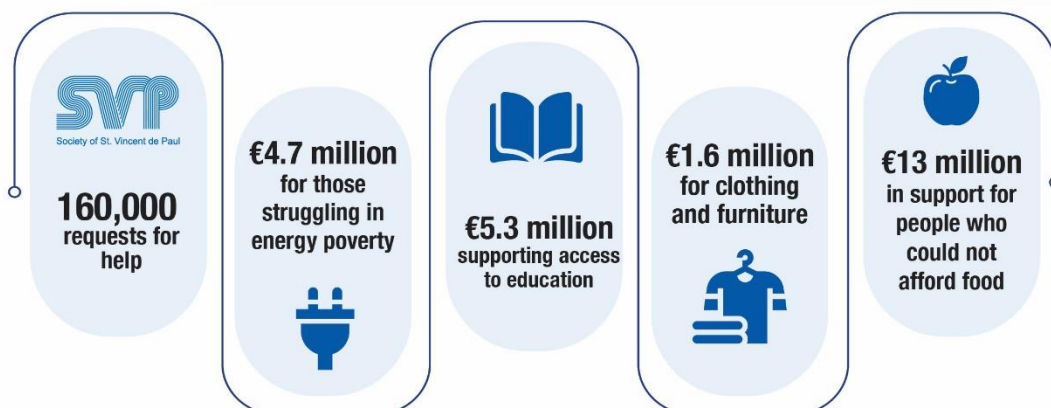
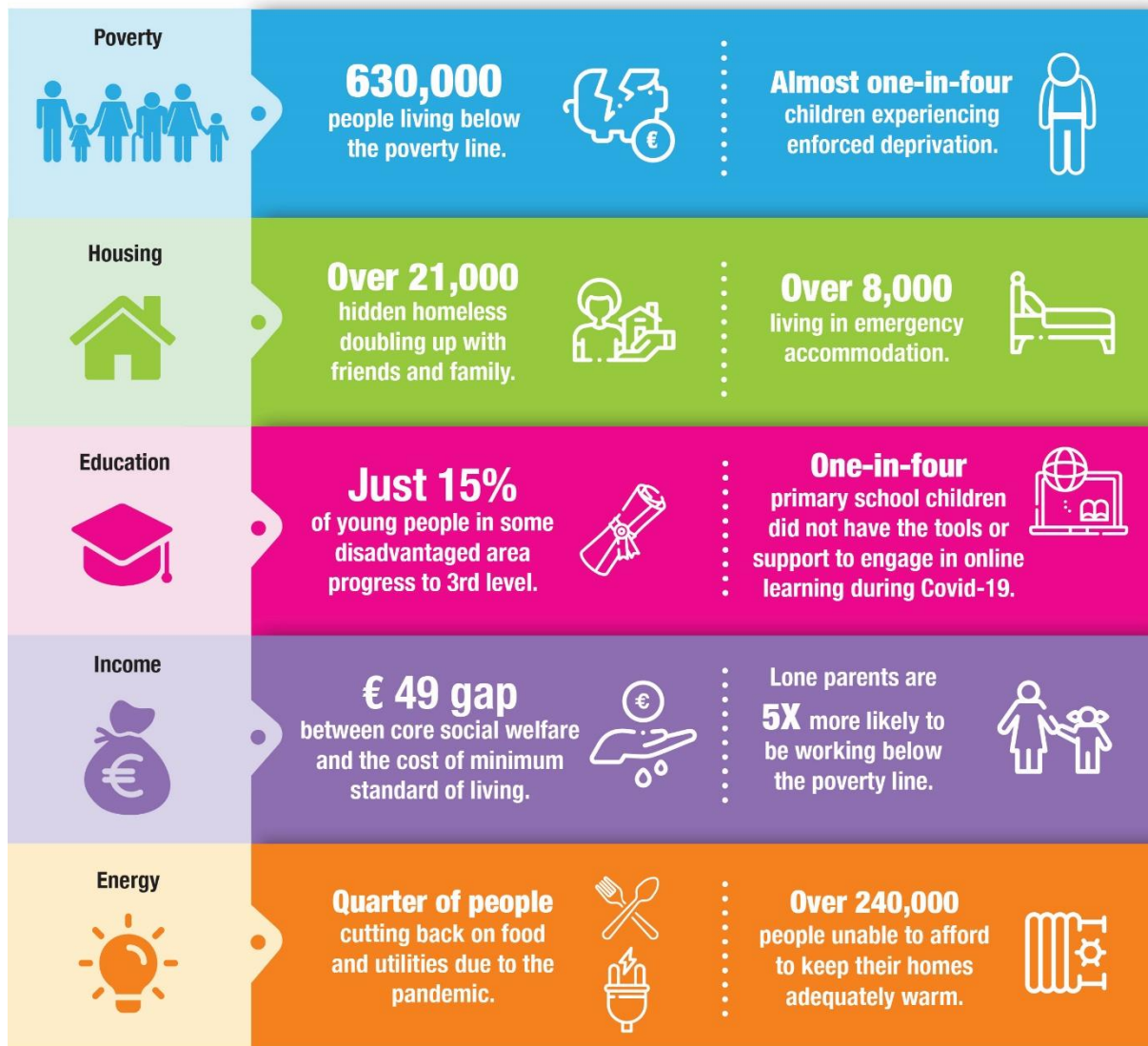
A handwritten signature in black ink that reads 'Rose McGowan'.

Rose McGowan

SVP National President

Why we work for social justice

The Society of St Vincent de Paul
Pre-Budget Submission 2022



Introduction

Before the pandemic, there were 630,000 people living on an income below the poverty line. This included 165,000 children. Covid-19 has since led to upheaval in household incomes throughout Ireland, with hundreds of thousands losing jobs and many workers' salaries supported through vital government schemes and support.

Low wages and insecure work, the high cost of living, unaffordable and insecure housing, unemployment, inadequate and inaccessible services in rural areas, low educational attainment, inadequate social welfare supports, social isolation and exclusion pushed too many people to the brink and over the edge as the pandemic hit. The Government have stepped in to support households in a number of ways, and we commend the protective measures that have been rolled out.

However, our recent research '*Cutting Back and Falling Behind*' showed that the pandemic has caused a multitude of financial pressures including increased household expenditure on basics, erosion of savings to meet ordinary living expenses, falling behind on bills and being forced to cut back on essentials like food, heating and electricity.¹ It finds that those who are experiencing the most adverse financial impacts are many of the groups that were vulnerable to poverty prior to the pandemic including low-income families with children, lone parents, renters, and people with disabilities. These findings point to a divergence in experience during lockdown, with those most vulnerable to financial strain and poverty feeling the brunt of the negative economic consequence of the pandemic. This divergence is unlikely to be limited to the period of Covid-19 restrictions, and the unequal financial impact during the pandemic could lead to further inequality for the long-term, unless remedied as soon as possible.

The public health crisis has shown us all how exhausting it can be to be in survival mode all the time. For people in poverty this struggle started long before this pandemic. The impact of living in poverty is multi-dimensional, taking a physical, psychological, and social toll on the lives of children and adults.

For children, even short-term exposure to poverty can have a long-term impact.² Growing up in poverty can negatively affect the entire life course of a child, limiting opportunities and making it more difficult for them to realise their full emotional, educational, and social potential. The longer the period

Budget 2022 must set us on a path to deliver an Ireland where the quality of life for all is improved, and where the experience of poverty is the exception, rather than the reality it is for hundreds of thousands of people right now.

¹ Society of St. Vincent de Paul and RED C (2021) Cutting Back and Falling Behind? An Analysis of the Financial Impact of Covid-19 <https://www.svp.ie/getattachment/a116ab93-1ba9-4f04-b5a2-bbad59dab050/Cutting-Back-and-Falling-Behind-Red-C-Report-March.aspx>

² Maitre, Russell and Smyth (2021) The Dynamics of Child Poverty in Ireland: Evidence for the Growing up in Ireland Survey <https://www.esri.ie/publications/the-dynamics-of-child-poverty-in-ireland-evidence-from-the-growing-up-in-ireland>

growing up in poverty, the worse the far-reaching consequences for children's development and wellbeing.³

As well as the moral imperative to tackle poverty, we have strong evidence on the wider benefits to the society and the economy if we prevent poverty in the first place. The *Hidden Cost of Poverty* report estimates that dealing with the consequences of poverty costs the State €4.5 billion every year – more than the respective annual Government budgets for housing, justice, transport, and agriculture.⁴ This is spending that could be avoided if we invest now in measures to address poverty and social exclusion.

The levels of poverty in Ireland prior to the pandemic and the uneven impact the pandemic has had on Irish society underlines the need for Government to pursue the right kind of recovery in Budget 2022. The fiscal stance in the coming budget must be to support economic and social recovery through investment in Ireland's social infrastructure with a focus on the well-being of all citizens but particularly those furthest behind.

Budget 2022 must lay the foundation for an Ireland without poverty

The way we've set up our economy has meant living costs have risen while many people sink on inadequate incomes. But as we rebuild, we do get to choose. We can redesign our economy to meet our needs by:

- Supporting incomes and addressing poverty and inequality through adequate social welfare benchmarked against the cost of a minimum essential standard of living and a living wage for workers.
- Providing access to decent and sustainable work and supporting parental employment.
- Investing in quality public services including housing, childcare, education, and transport that support the well-being of people, society and the economy.
- Prioritising a just transition to a low carbon society ensuring no one is left behind.
- Embedding poverty proofing in economic and social policy including budgetary decisions.

These actions would put us on a path to deliver an Ireland where the quality of life for all is improved, and where the experience of poverty is the exception, rather than the reality it is for hundreds of thousands of people right now.

³ Maitre, Russell and Smyth (2021) The Dynamics of Child Poverty in Ireland: Evidence for the Growing up in Ireland Survey <https://www.esri.ie/publications/the-dynamics-of-child-poverty-in-ireland-evidence-from-the-growing-up-in-ireland>

⁴ Collins (2020) The Hidden Cost of Poverty: Estimating the Public Service Cost of Poverty in Ireland. <https://www.svp.ie/news-media/publications/social-justice-publications/the-hidden-cost-of-poverty.aspx>

Housing and Homelessness

Access to affordable and secure homes is fundamental to our wellbeing and during Covid-19 this has become all the more evident. SVP members have a unique insight into the current realities of the housing crisis in Ireland, supporting people living in hotels, B&Bs, family hubs, homeless hostels and those living in the private rented sector at risk of homeless. They meet many parents who has used their last €20 to pay the Housing Assistance Payment (HAP) top-up to the landlord and have nothing left to put in their electricity meter. They support many more people living in

overcrowded and substandard accommodation, often doubling up with families and friends. They also see first-hand the difficulties for families in emergency accommodation who have no cooking facilities and cannot provide their children with good nutritional food and for those in rural and more remote parts of the country who have to travel miles to get their children to school in the morning. Working with these individuals and families has afforded SVP a valuable perspective on the key challenges and opportunities in addressing the housing crisis.

It is SVP view that the most viable and long-lasting mechanism to stabilising Ireland's housing sector and give people the solid foundation to build a decent life is through the increased role of and investment by the State in building homes. This means increasing the stock of housing owned by the Local Authorities and Approved Housing Bodies. The inadequacy of the scale of investment in social housing supply relative to housing need is striking; The Social Housing Needs Assessment shows that there were 68,693 households on the waiting list for social housing in 2019.⁵ A CSO Analysis of the HAP Scheme indicates that some 57,630 households in need of social housing were accommodated in the private rented sector by the end of 2019.⁶ An SVP and Threshold research report showed that HAP is an important short-term support in allowing people access to living accommodation, however, it is not suitable in the long term due to issues arising from affordability and security of tenure in the private rented sector.⁷ These are all factors that can lead to homelessness and with ever increasing numbers needing to access HAP to find accommodation, it is concerning.

The issue of tenants accumulating rent arrears while living in the private rented sector is not dealt with effectively in current housing policy. It fails to recognise that tenants may get into difficulty paying their rent while rents remain high nationally, that rent supplement and HAP subsidies are not adequate to cover market rents and that the 20% discretionary uplift for those at risk and exiting homelessness is not sufficient. In 2020, despite the extraordinary and challenging year, rents continued to grow

We now need to ensure that everyone has access to secure and affordable homes, within sustainable communities so that all can live with dignity and respect.

⁵ Housing Agency (2019) Summary of Social Housing Assessment <https://www.housingagency.ie/sites/default/files/SHA-Summary-2019-DEC-2019-WEB.pdf#:~:text=The%20Summary%20of%20Soci>

⁶ CSO (2019) Social Housing in Ireland 2019 – Analysis of Housing Assistance Payment Scheme [Social Housing in Ireland 2019 - Analysis of Housing Assistance Payment \(HAP\) Scheme - CSO - Central Statistics Office](https://www.cso.ie/en/media/cso/images/publications/socialhousinginireland2019-analysis-of-housing-assistance-payment-hap-scheme-cso-central-statistics-office)

⁷ Threshold and the Society of St Vincent de Paul (2019) The Housing Assistance Payment (HAP): Making the Right Impact? https://issuu.com/svp15/docs/hap_survey_report_2019/1?e=25010855/73017298

nationwide. This is evident from the Residential Tenancies Board Q4 2020 Rent Index which showed rents grew nationally by 2.7% in Q4 2020.⁸

In our report “*Cutting Back and Falling Behind*” a quarter of renters reported falling behind on their bills and 9% were behind on their rent payment.⁹ We also support many low-income households who have been financially impacted by Covid-19 through greater demands on food and energy and are struggling to pay their rent, particularly those with unsustainable HAP top-ups. While we welcome the extension of the additional protections for those impacted financially by Covid-19, we are concerned that many tenants at risk will fall through the cracks as the protections are too narrowly defined, difficult to access and can be particularly challenging for vulnerable tenants to navigate. Government should be doing all that it can to prevent a rise in homelessness and the damage it causes.

We have seen how the eviction ban to ensure that renters could remain in their homes have been effective in reducing homelessness – with family homelessness falling by over 40% in the past year. However, with the lifting of restrictions we have witnessed homelessness beginning to increase with 8,082 women, men and children currently living in emergency homeless accommodation.¹⁰

Learning from the Covid-19 pandemic can redefine how we approach homeless policy. The first step must be to set a goal of ultimately ending homelessness. Increasing the supply of housing provided by local authorities and Approved Housing Bodies would offer families and individuals the security of an affordable long-term home, protect children from the trauma of homelessness and allowing people to plan for the future.

We now need to place a greater emphasis on prevention and ensure that all have access to secure and affordable homes, within sustainable communities so that they can live with dignity and respect.

The Reality of Housing Insecurity

Louise and Mark have two children one aged three and another nine months old. The family are living in private rented accommodation and are in receipt of the Housing Assistance Payment (HAP) but there is a shortfall of €100 per week between the HAP limit and their rent payment. Mark works full time but says the HAP top up as well as the €160 a month differential rent to the council means that family have very little left after they pay the rent. The apartment is poorly insulated and the storage heaters “eat up credit on the meter”. He says, “I am embarrassed asking for help but we are at the point not being able to pay for nappies, food and heating after the rent is paid”.

⁸ Lyons (2021) Irish Rental Report Q4 2020 https://ww1.daft.ie/report/ronan-lyons-2020q4-daftrentalprice?d_rd=1

⁹ Society of St. Vincent de Paul and RED C (2021) Cutting Back and Falling Behind? An Analysis of the Financial Impact of Covid-19 <https://www.svp.ie/getattachment/a116ab93-1ba9-4f04-b5a2-bbad59dab050/Cutting-Back-and-Falling-Behind-Red-C-Report-March.aspx>

¹⁰ Department of Housing (2021) Homeless Report- April 2021 <https://www.gov.ie/en/collection/80ea8-homelessness-data/>

Recommendations

Building more social and affordable homes

Provide the requisite amount of funding for the building of 10,000 social homes provided by local authorities and Approved Housing Bodies and 5,000 affordable cost rental homes in Budget 2022.

Preventing homelessness through early intervention

Ensure that the Department of Housing and Department of Social Protection work together to identify households at risk of losing their rented accommodation. Develop a joint budget line and protocol between both departments to provide financial and tenancy support services in a timely manner to prevent households from entering homelessness. **Investment for Budget 2022: €10 million.**

Supporting children who are experiencing homelessness

Support children experiencing homelessness by providing a discretionary fund to meet the needs of children with additional needs experiencing homelessness and by ensuring every child experiencing homelessness has a child support worker available to them. **Investment for Budget 2022: €1.5 million.**

Additional measures

- Increase Housing Assistance Payment and Rent Supplement limits so that they are kept in line with market rates and extend the 50% Homeless HAP rate to all Local Authorities. These measures should be pursued alongside greater security and rent certainty measures for tenants.
- Permanently retain the flexibility in the rules to qualify for Rent Supplement made during Covid-19, including the provision made for people leaving situations of domestic violence.
- Establish a fund to take into ownership buy-to-let units which are being repossessed due to landlord arrears and the tenant is already in receipt of HAP/RS and is at risk of homelessness.
- Increase the maximum amount available under the Repair and Lease Scheme to €80,000 to reflect the increased costs of undertaking refurbishment work, and as a mechanism to increase the number of dwellings using existing housing stock.
- End youth homelessness by resourcing and implementing the National Youth Homeless Strategy. **Investment for Budget 2022: €3 million.**
- Expand the Housing First programme for families experiencing homelessness. Begin with introducing a pilot scheme for families that have been homeless for more than two years. **Investment for Budget 2022: €1.5 million.**
- Invest in research into the number of people currently experiencing 'Hidden Homelessness' and housing exclusion in Ireland and the pathways into hidden homelessness.
- Allocate the necessary funds to hold a Referendum on the Right to Housing.

Education including Early Years

A key focus of our work in SVP is tackling educational disadvantage and last year we spent over €5.3 million helping people at every stage of the life course access education. We know that the pandemic has exacerbated existing educational inequalities¹¹ and the impact of the digital divide was very apparent in our work in communities.

A sample survey among 200 SVP Conferences found that 49% of the Conferences have had direct requests for help with digital devices since March 2020 and 75% of these

Conferences also provided help for food to help free up resources for online learning costs. The additional grants for

IT equipment provided by the Department of Education were insufficient and SVP stepped into the breach providing supports to help address the digital divide and support online learning.

Despite the best efforts of parents and educators, children and young people have lost out on countless opportunities to learn, grow, develop socially and emotionally this past year. Measures now need to be introduced to combat and target those inequalities.

Good quality early years care is critical for a child's social, emotional, cognitive, and physical development. The National Childcare Scheme (NCS) provides good support to many families, but the amalgamation of previous schemes has resulted in some of the most disadvantaged and marginalised children being locked out of early years care. We need to ensure that all children have the supports they need until a publicly funded, equitable and child centred model is established, and Budget 2022 must address the disparities created in the transfer to the NCS.

For many years, SVP has been highlighting the issue of school costs and their negative impact on low-income households. Despite many of the households we support having lost their income during Covid-19, parents have continued to fund their child's education. Many of the calls we receive relate to requests for financial help with so called "voluntary" contributions, schoolbooks, digital equipment, sport, and cultural activities and help with the cost of expensive school uniforms. Our members are particularly concerned about the increasing number of calls they are receiving from worried parents in relation to the cost of iPads and tablets, used to complete and access the school curriculum. Many of these devices are costing between €600 and €800. School costs for families can cause a negative and stressful experience towards education, this is particularly acute for households that have a young person enrolled in second level and are no longer able to access Child Benefit when they turn 18 years old.

We need to have the necessary funding and resources so that anyone who wishes to access education can do so. Now, is the time to be ambitious in our pursuit of educational equality.

¹¹ Mohan et. al (2020) Learning for all? Second-Level education in Ireland during Covid-19
https://www.esri.ie/system/files/publications/SUSTAT92_3.pdf

Higher education participation is an important policy objective in Ireland.¹² However, Ireland has seen persistent social inequality in higher education participation with low-income households being one of the named groups in Irish society not to participate in higher education at levels experienced by their more advantaged peers. SVP welcomed the opportunity to put forward our views on the recent review of the SUSI grant system and recognises and appreciates that SUSI is an important support to students throughout their time in college. Student grants are one way of combating inequality and promoting inclusion and SVP believes that this review constitutes an opportunity to develop a more coherent and ambitious framework of financial supports.

Lone parent families and people with disabilities are the groups most likely to experience poverty in Ireland today. They are a group of people who experience multiple disadvantages in Irish society and access to education is a part of that. Many people who seek support from SVP have expressed their interest in attending further and higher education on a part time basis but the fact they cannot receive the SUSI grant is a major barrier.

SVP members through their home visitation work also highlight a number of policy gaps in the provision of further education and training (FET) courses. The awareness of course options, the cost of transport, course materials and access to quality, affordable childcare remains a barrier for people accessing further education and training courses. Therefore, addressing the financial barriers to FET courses should be part of this year's budget package.

We cannot wait until this pandemic is over to start tackling the issues in our education system that are creating and exacerbating inequalities and social exclusion for people experiencing disadvantage. We need to have the necessary funding and resources so that anyone who wishes to access education can do so. Now, is the time to be ambitious in our pursuit of educational equality.

The Reality of Educational Inequality

Lisa is 19 and is in second year of university and is living in rented student accommodation. She receives the SUSI grant but is “really struggling to get by” as after she pays her rent she is “left with almost nothing”. She has no family support and asked friends for a loan but “everyone is struggling”. At the start of the academic year, she had to do her course work through the night, borrowing her room mate’s laptop as she couldn’t afford her own. Since then, her college have provided a laptop, which has helped a lot but she is still struggling to pay for food and other essentials. Lisa said she “really wants to finish college and get a good job, but I am worried that I will be left with no option but to drop-out”.

¹² National Plan for Equity of Access to Higher Education 2015-2019 <https://hea.ie/policy/access-policy/national-access-plan-2015-2019/>

Recommendations

Tackling school costs by adequately funding primary and secondary education

End 'voluntary' contributions in non-fee paying primary and secondary schools and make schoolbooks free for all primary and secondary students. Begin by restoring capitation rates to 2010 levels, implementing the School Cost Circular issued in 2017 and expanding the free schoolbooks pilot nationally. **Estimated cost: €68 million.**¹³

Supporting access to further and higher education by making SUSI fit for purpose

Make SUSI fit for purpose by reviewing the income thresholds and means test to qualify for SUSI in line with average incomes and poverty thresholds and increasing the value of the maintenance grant levels in line with the cost of living. In Budget 2022 begin by increasing the grant rate and income thresholds by 10% and restoring the non-adjacent grant rate to 24km. **Estimated cost of increase in threshold and grant rate: €37 million.**

Promoting inclusivity by expanding SUSI to part-time students

Expand eligibility for the SUSI grant to part-time students studying in publicly funded further and higher education and training institutions to provide financial support to non-traditional, mature, and part-time learners. **Estimated cost of expanding maintenance grant to part-time students: €50 million.**

Additional measures

- In line with the EU Child Guarantee, provide free access to early learning and care, and school aged care to children in low-income and disadvantaged households as a measure to address child poverty and social exclusion.¹⁴
- Provide the necessary funding to implement the National Action Plan for Childminding 2021-2028. **Investment for Budget 2022: €3 million**
- Address digital poverty for low-income households by ensuring sufficient resources are allocated to implement the forthcoming digital schools' strategy. **Investment for Budget 2022: €2 million**

¹³ A total of €40 million would provide free schoolbooks at primary and secondary level and to restore Capitation rates to 2010 levels would cost €28 million.

¹⁴ The objective of the European Child Guarantee, which was [adopted](#) by the Council in June 2021, is to prevent and combat social exclusion by guaranteeing the access of children in need to a set of key services: early childhood education and care, education (including school-based activities), healthcare nutrition, and housing.

- Support children and young people experiencing educational disadvantaged and at risk of early school leaving by funding an additional 10 Home School Community Liaison (HSCL) Coordinator positions (**Estimated cost: €555,000**) and restoring funding for the School Completion programme to 2008 levels. (**Estimated cost: €8.75 million.**)
- Provide the requisite amount of funding for 10 additional NEPS psychologists. **Estimated cost: €850,000.**
- Equalise the income thresholds for the Back-to-School Clothing & Footwear Allowance (BTSCFA) for one and two parent families. Introduce 'tapering' for the BTSCFA to provide greater access to support with school costs.
- Make Child Benefit payable to families with children over the age of 18 enrolled in secondary school in recognition of the higher cost of education in the senior cycle and as a measure to prevent early school leaving.
- Provide a dedicated and fully resourced fund for activities in schools-music, drama, sport, including swimming lessons and personal development courses. **Investment for Budget 2022: €1 million**
- Restore provision to pre-2012 investment in guidance counselling to support student emotional wellbeing and future career development. **Estimated cost: €4.8 million**
- Increase the Student Assistance Fund (SAF) allocation by 20% to address the needs of students affected by Covid-19 income loss. **Estimated cost: €3.6 million**
- Invest an extra €5 million in Budget 2022 on the National Access to Apprenticeship programme to address the high level of youth unemployment creating 1,000 new places at a cost of €5,000 per place. **Investment for Budget 2022: €5 million**
- Support students in further education and training by reversing the decision to means test income from part-time work for those in receipt of the Back to Education Allowance (BTEA) and extend the Cost of Education Allowance to all recipients of the BTEA.

Income Adequacy

As our economy and society reopens, we must not leave households who have been under extreme financial pressure – both before and as a result of the pandemic – at risk of further hardship. It is critical that the implementation of changes to the Pandemic Unemployment Payment (PUP) makes full use of poverty proofing safeguards so that claimants and their families do not suffer undue hardship. This means tapering supports towards those most at risk of financial hardships including low-income families with children and renters.

A fair recovery requires everyone in Ireland to have an income that avoids poverty and meets their cost of living.

Covid-19 and the need to introduce the higher rate of PUP illustrates the need to address the overall inadequacy of existing social supports. A fair recovery requires everyone in Ireland to have an income that avoids poverty and meets their cost of living. Investing now will prevent escalating poverty and lead to savings down the line.

Budget 2021 saw no increase to core welfare rates for the second year in a row. For every year rates do not increase, Ireland's most economically vulnerable households fall further behind meeting a Minimum Essential Standard of Living. The reality of this shortfall is people having to make weekly compromises on essential basics such as food or heating.¹⁵ While MESL data has shown that recent budget increases to the QCI have led to improvements in adequacy for some household types, the Vincentian Partnership for Social Justice conclude that 'child poverty and income inadequacy can only be fully addressed when the minimum needs of the entire household are considered.'¹⁶ Budget 2022 must begin to remedy this situation and commit to increasing core welfare rates.

SVP welcomes moves towards the introduction of a Living Wage for Ireland's workers. Many of the workers who will benefit from an adequate pay floor are those who have carried out essential functions throughout the pandemic and require the recognition and dignity of a decent income. We continue to urge the government and the Low Pay commission that the Living Wage must be calculated according to the cost of living as calculated in the Minimum Essential Standard of Living. Avoiding in-work poverty requires sufficient hours as well as pay levels, but only when there is parity between the NMW and a real Living Wage will workers be able to meet the actual cost of living.

Lone parents continue to be the group we help most often at SVP, a longstanding situation that reveals systemic injustice that must be tackled. Over 45% of lone parent families experienced deprivation in the last year for which we have data, and lone parent families are over-represented in family homelessness. ESRI research has shown that tackling poverty in one parent families is vital to reducing child poverty rates.¹⁷ The reforms of the One Parent Family Payment created cliff edges

¹⁵ In 2021, the gap between the social welfare income and the minimum needs of a single adult living in an urban area the gap was €49 per week. See: https://www.budgeting.ie/download/pdf/vpsj_mesl_pre-budget_2022_submission.pdf

¹⁶ Ibid

¹⁷ Maitre, Russell and Smyth (2021) The Dynamics of Child Poverty in Ireland: Evidence for the Growing up in Ireland Survey <https://www.esri.ie/publications/the-dynamics-of-child-poverty-in-ireland-evidence-from-the-growing-up-in-ireland>

and income troughs for those working and parenting alone. While some of these have been addressed in recent budgets, a lone parent working full time in minimum wage employment can lose €53 a week once their youngest child reaches the age of 14 as they lose entitlement to the Jobseekers Transitions Payment.¹⁸ Extending eligibility for the Jobseekers Transition payment until the youngest child reaches the end of secondary school would recognise that lone parents have dual responsibility for care and household income and must be supported in that balance.

The high poverty and deprivation rates for those out of work due to illness and disability must also be addressed. In our research into the financial impact of the pandemic this group reported the highest incidence of being unable to afford heating.¹⁹ This is a situation that must be ended through increasing core welfare rates and introducing an additional payment that meets the added cost of living with a disability.

SVP welcome the publication of the *White Paper on Ending Direct Provision* as our volunteers see the many challenges for residents of Direct Provision.²⁰ These include institutionalisation, surviving on a low income, enforced dependency, poor access to services and education, stress and mental ill-health, loneliness, and isolation. The Government must not delay in the implementation of the White Paper and Budget 2022 must provide the necessary resources to support this.

Since Budget 2021 we have learnt that enforced deprivation is now rising across the population, causing serious concern about the ability of certain groups to access their rights to essential goods and services. This must be addressed in Budget 2022 by the provision of income levels that allow people to participate in society and reach their potential.

The Reality of Life on a Low Income

Maria is a lone parent with two teenage boys aged 16 and the 14. She works 20 hours a week on the National Minimum Wage. Her youngest turned 14 in February and she lost entitlement to the Jobseeker Transition Payment. She transferred to the Working Family Payment but is down €40 per week and could not get extra hours at work. She is in receipt of HAP but has been paying a top-up of €50 per week. In the past few weeks, the “bills have started to pile up and the cupboards are almost bare” and she has fallen into rent arrears. She paid off some of the arrears and “basically gave every last penny we had to the landlord to keep a roof over our heads”.

¹⁸ Vincentian Partnership for Social Justice (2021) Pre-Budget Submission

https://www.budgeting.ie/download/pdf/vpsj_mesl_pre-budget_2022_submission.pdf

¹⁹ Society of St. Vincent de Paul and RED C (2021) Cutting Back and Falling Behind? An Analysis of the Financial Impact of Covid-19 <https://www.svp.ie/getattachment/a116ab93-1ba9-4f04-b5a2-bbad59dab050/Cutting-Back-and-Falling-Behind-Red-C-Report-March.aspx>

²⁰ See SVP (2020) Submission on the White Paper on the International Protection Process:

<https://www.svp.ie/getattachment/429eb25b-d14a-455e-8802-60e55c0bbb2b/SVP-Submission-on-Government-White-Paper-on-the-In.aspx>

Recommendations

Benchmarking social welfare payments to adequacy

Begin to close the gap between social welfare rates and the real costs facing households by investing in both core rates and the Qualified Child Increase to improve the adequacy of the overall household income. Increase the personal rate of social welfare by €9.80 per week with a €10 increase for children aged over 12 and a €2.10 increase for under 12.²¹ Set a target of reaching an adequate level for all primary payments by 2026 including for those aged under 25. **Estimated cost for primary working age rates: €360 million and Qualified Child Increases: €84 million²²**

Addressing in-work poverty among one parent families

Remove the cliff edge for working lone parents by extending the cut off for the Jobseekers Transition Payment until the youngest child reaches the end of second level education. This will allow lone parents to access better in-work income supports, training opportunities and provide parents with extra supports to help with the cost of raising a teenager.

Tackling poverty among people seeking international protection

Provide the requisite level of funding to support the implementation of the White Paper on Ending Direct Provision and address the inadequacy of daily allowance rates by increasing them in line with social welfare payments. This should also include provision to make Child Benefit payable to children in the international protection process. **Estimated cost of social protection measures: €27.7 million.**

Additional measures

- Link earning disregards, means-tests and income tests for supports such as the Back-to-School Clothing and Footwear Allowance and Medical Card and in-work income supports to increases in the National Minimum Wage, maintaining the value of and access to these supports.
- Recognise the cost of disability by introducing an additional payment for people with disabilities. As a first step introduce a cost of disability payment of €20 per week.
- Increasing thresholds for the Working Family Payment for larger families and make the Working Family Payment more accessible for lone parents in employment by reducing the number of hours of work required to qualify for the payment to fifteen hours per week.

²¹ Based on these increases an adequate level of €252 for an adult, €133 for a child over 12 and €84 for a child under 12 would be reached by 2026 (in combination with Child Benefit). Adjusting in line with +/- in the cost of a Minimum Essential Standard of Living.

²² This costing and recommendation does not include a proportionate increase in rates for Qualified adults as data from the Vincentian Partnership for Social Justice shows that while the current structure of the social welfare system implicitly regards a couple as requiring 1.66 times the income support of a single headed household. Analysis of the MESL data finds that the minimum needs of the adult in a couple headed household cost 1.5 times that of an equivalent one adult headed household with children. Maintaining the QA rate at the current rate addresses this imbalance and frees up resources to improve adequacy in primary rates and QCIs.

Energy and Climate Justice

The capacity to heat and light our homes is vital for our health and wellbeing and our participation in society. For those in energy poverty, the cost of staying warm and keeping the power on is prohibitive due to low incomes, the cost of energy, and energy inefficiency. One in six households are in energy poverty in Ireland.²³ They are going without the energy they need or going into debt to keep the lights on.

Budget 2022 needs to put in place measures that provide immediate relief to those in energy poverty as well investing in the goal of ending energy poverty through a just transition.

During the pandemic SVP members have supported households which have been particularly vulnerable with the double impact of increased energy use while spending longer at home, and loss of income. We now face the challenge of supporting those households who are dealing with the ongoing financial impact of the last year.

Budget 2022 needs to put in place measures that provide immediate relief to those in energy poverty as well as investing in the goal of ending energy poverty through a just transition. Importantly, the combination of immediate support and investment in prevention must go hand in hand: investment in retrofitting needs to be accompanied by the recognition of real and current hardship being experienced. Measures need to be put in place to reduce the cost of energy for those on low incomes and provide relief for those who have built up debt during the pandemic.

The Fuel Allowance must be increased and extended to make sure it reaches all those who need it, including those on Working Family Payment and all Jobseekers recipients, and a feasibility study should be undertaken to explore how a social tariff could work in the Irish market. These two measures will support households at risk of energy poverty with the immediate costs of energy, and the rising costs associated with the energy transition (the carbon tax and PSO levy).

We welcome the significant investment being directed towards energy efficiency, including for those in energy poverty. However, there are currently gaps in support, meaning some groups will be left even further behind. Retrofitting for private tenants in energy poverty requires regulation and financing. We would like to see regulations that outlines a minimum BER of B2 for the PRS by 2030. In addition, we want to see increased ambition for the social housing sector, with a commitment to reach B2 by 2030. It is SVP's experience that households also require wraparound energy advice through community energy advisors, who would support households with immediate needs as well as enabling them to access support for retrofitting.

We also need to see a commitment to affordable and adequate public transport throughout Ireland. Particularly in rural areas, SVP sees access to transport as a fundamental building block to

²³ Society of St. Vincent de Paul (2019) Growing up in the Cold: An Analysis on the Extent and Nature of Energy Poverty in Households with Children <https://www.svp.ie/getattachment/2cb10388-e3ca-41ef-9911-a17f252ce09c/Growing-up-in-the-Cold.aspx>

participation in many essential services: work, education, healthcare, childcare. The VPSJ find that households in rural areas have different and additional needs to meet the same socially acceptable minimum standard of living as households based in urban areas. Core costs (before housing) are generally higher in rural areas, primarily due to additional costs related to transport and home energy. For rural households' private transport is a minimum need, as public transport options are limited and do not tend to offer an adequate level of service to rely on to meet all transport needs. Currently, the cost of a car is calculated by VPSJ at €67 per week, an essential additional cost for many rural households.²⁴ To offer a reasonable alternative we need to see investment in Local Link services that provide regular and affordable transport throughout Ireland: this would lead to benefits to households in poverty as well as local economies.

A just transition must offer households in poverty greater access to basic services including affordable energy and transport: investing in these services offers a 'triple dividend' by tackling the climate crisis, creating employment, and reducing poverty.²⁵ Significant investment by Government must be targeted towards improved outcomes for households in poverty.

The Reality of Energy and Transport Poverty

Sarah is a lone parent living in local authority housing. She has three children, a boy aged 4, and two girls aged 7 and 10. Her youngest has very poor health and must attend a children's hospital regularly over 80km from their home. There is no public transport she can rely on to get to her son's appointments and other essential trips, so she purchased a second-hand car using a moneylending loan. The repayments are adding extra pressure to her already stretched family budget. When she contacted SVP for help during the pandemic, she had run out of oil due to greater demand of heating while the children were home from school. She was trying to heat the house with the open fire and said, "I'm left with my last €10 to spend on either a small bag of coal or petrol to get to the supermarket".

²⁴ See Vincentian Partnership for Social Justice www.budgeting.ie [MESL Pre-Budget 2022 \(budgeting.ie\)](https://www.budgeting.ie/MESL-Pre-Budget-2022)

²⁵ United Nations General Assembly (2020) Extreme poverty and human rights – note by the Secretary-General <https://www.undocs.org/A/75/181/REV.1>

Recommendations

Ensuring those in energy poverty are protected from rising fuel costs

Extend the Fuel Allowance from 28 to 32 weeks to offer individuals and families more security during the year and to help meet recent energy prices increases as well as increase in the carbon tax and Public Service Obligation (PSO) levy. Ensure payment reaches those on low incomes by expanding eligibility to those in receipt of the Working Family Payment and removing the wait period for Jobseekers Allowance. **Estimated cost of extending FA to 32 weeks: €42 million**

Improving the efficiency of energy poor homes

Recognise reducing energy poverty as an objective in National Retrofitting Plan and target the deep retrofitting of social tenancies and improvements in the Private Rented Sector. Begin by significantly increasing current annual investment in the retrofit of social homes (**Investment for Budget 2022: €100 million**) and by initiating a pilot extension of the Better Energy Warmer Homes grants to Housing Assistance Payments recipients, conditional on the landlord providing a lease of at least five years. **Investment for Budget 2022: €7 million²⁶**

Investing in public transport for all

Invest in the Rural Transport Programme and develop a budget line to implement the rural transport commitments set out in Our Rural Future, thereby increasing the range of public transport options, promoting social inclusion for those in rural areas, and incentivising greater public transport usage. **Investment for Budget 2022: €50 million**

Additional measures

- Pilot a scheme of Community Energy Advisors who would engage and inform hard to reach energy users who would most benefit from energy efficiency upgrades across all tenure types. This advice service should approach energy poverty holistically and offer support through immediate assistance and quick-fix measures as well as supporting households through larger retrofitting projects. **Investment for Budget 2022: €5 million**
- Introduce minimum energy efficiency standards for the Private Rented Sector. These standards should be implemented alongside an awareness-raising campaign, incentives for landlords that are conditional on enhanced security of tenure and increased funding for inspections and enforcement.
- Address the challenge of rising energy prices, by funding independent analysis of how a social energy tariff could work to protect energy poor customers from energy price increases during the transition to a low carbon economy, without increasing the bills of other customers.

²⁶ It is recommended that funding for the deep retrofit of social housing is increased by €100million. An additional €7 million funding would provide upgrades under the Warmer Home Scheme to 500 HAP tenants based on an average value of €14,819 for energy measures currently provided to household under the scheme. <https://www.kildarestreet.com/wrans/?id=2021-03-10a.337>

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