

# **Citizens Information Board**

## **Pre Budget Submission 2008**

### *Achieving a Basic Standard of Living for All*

## **Introduction**

The primary function of the Citizens Information Board is the provision of information, advice and advocacy in the broad area of the social services. To this end, the Board is involved in the development and support of the nation-wide network of Citizen Information Services (CISs), the Citizens Information Phone Service (CIPS) and the Citizens Information Website ([www.citizensinformation.ie](http://www.citizensinformation.ie)).

The Citizens Information Board has a number of other functions including to support, promote and develop the provision of information on the effectiveness of current social policy and services and to highlight issues which are of concern to users of those services

In carrying out this function, the Board relies heavily on the expressed needs and experiences of users of the network and CIPS. CISs and CIPS report queries with a social policy dimension to the Board where they are analysed and used as the basis for policy submissions and reports. The total number of callers to all CISs and CIPS in 2006 was 676,860 with a total of 942,700 information requests nationally. Queries deemed to have social policy implications are reported to the Board in separate social policy records. In the CIS Biennial Survey 2005, the three largest categories of queries were issues relating to Social Welfare (34% of all queries), Health Services (including HSE payments) (13%), Employment (11%).

In this submission, we outline the main issues which are highlighted by CISs and CIPS. These issues can be grouped under the following broad headings:

- Issues relating to low income families with children
- Issues relating to people with disabilities
- Enforcement of employment rights
- Integration issues
- Issues relating to older people especially those in need of some degree of care

The issues described under each category arise for other groups as well. Many of the issues arising for low income families are also relevant to people with disabilities and many people affected by integration issues are low income families. We recognise that these issues are known to policy makers so we concentrate on making recommendations which we hope can lead to improvements.

## **Low Income Families**

One of the major client groups whose needs come to the attention of CICs and CIPS are low income families with children. The main problems faced by low income families who deal with CICs and CIPS are:

- The basic social welfare payment is too low to meet the normal costs of living
- The range of schemes available is complex and there are gaps in provision
- There are disincentives to work inherent in the system
- There are specific problems meeting the costs of housing and the costs associated with education
- There are specific costs associated with disability (this is dealt with below)

The simple answer to the problems of low income families is more income and it is generally agreed that the best way to provide this is through employment. The best income support payment for families is undoubtedly Child Benefit as it does not give rise to any effects on other income. However targeted payments will continue to have a major role in income support for low income families. Low income families also require housing and health services. Our recommendations are concerned with improving incentives to work, eliminating traps and simplifying the system so that individuals can better access their entitlements.

## **Recommendations**

### **Child Benefit Supplement/Increases for Qualified Children**

The question of a targeted Child Benefit Supplement for children in low-income families has been considered for some time. There is general agreement that such a payment could make a significant contribution to reducing or eliminating child poverty without affecting work incentives. However, the National Economic and Social Council, which has been examining the issue for several years, has indicated that the issues involved are complex and there are technical and policy challenges to be overcome. The increases for a qualified child (IQC) payable with welfare payments are targeted but they do create disincentives to work. One possible approach could be to allow for the retention of the IQC for a year or more after taking up employment or reaching the earnings limit for the payment in question. In effect, the IQC could be treated as a secondary benefit. This is not a perfect solution as the retention of secondary benefits postpones the incidence, rather than eliminates the operation, of particular traps (see page 4 for further discussion). Nevertheless, its retention could provide the immediate incentive which may be needed to get into work.

### **Back to School Clothing and Footwear Scheme**

A similar approach could be adopted towards the Back to School Clothing and Footwear Allowance. The guaranteed retention of the IQC and this payment could be a significant incentive to lone parents, unemployed people and partially unemployed people to take up work or to increase their income from work.

All parents who are getting Family Income Supplement should automatically qualify for the Back to School Clothing and Footwear Allowance. While their income from FIS is

not taken into account in the means test, their income could still be above the limits which exist at present. Since it is clearly recognised that families who qualify for FIS need support, they should get the full range of available supports.

### **Family Income Supplement**

The Citizens Information Board recognises that major efforts have been made in recent years to improve the take up of Family Income Supplement (FIS). These efforts have met with some success. There are currently 20,780 people in receipt of a weekly FIS payment – this is the highest number ever. There was a 75% increase in FIS claims in 2006 over 2005. The increase may be due to a number of factors including increases in the relevant thresholds but there seems little doubt that a major contributory factor was the information campaign conducted by the DSFA and promoted through the CIS network with the co-operation of the CIB.

A number of improvements to the scheme have also been introduced but a number of problems remain.

- The thresholds need to be increased to allow more people to qualify and to allow the lowest income families to get more from the scheme.
- The same income thresholds apply to all families whether lone parents or couples. This limits, or possibly totally eliminates, the incentive for the second parent to work. The second parent should be allowed earn an amount without affecting the entitlement to FIS – this could be based on the same lines as the arrangements for qualified adults with other social welfare payments.
- Childcare costs should be taken into account in the means test – this would provide an incentive for both couples and lone parents to work and avail of FIS.
- FIS is cut off after 6 weeks if a person is unable to work due to illness – this cut-off point is too rigid. It should be possible to have a more flexible approach on an individual basis taking into account the person's entitlement to other social welfare payments and to sick pay from the employer.
- FIS should not be taken into account when assessing differential rents or when assessing eligibility for affordable housing. Case examples reported by CIS's indicate that some local authorities take FIS into account while others do not – this inconsistency is both inequitable and confusing.
- The possibility of paying FIS through the tax system should be further researched.
- Some people are unable to draw down the FIS to which they are entitled because they are unable to get a Statement of Pay (to which they are legally entitled) from their employer – employment rights issues are examined further below.
- CE workers do not qualify for FIS as CE is not regarded as mainstream employment but people employed in either the Jobs Initiative or Community Services Programmes are eligible. There is no convincing rationale for treating people in state-supported employment/training programmes differently.

### **Payments for Lone Parents**

The proposed changes to income support for lone parents set out in *Proposals for Supporting Lone Parents*, should be provided for in this year's Budget. We recognise

that these proposals can achieve their objective only if all the other proposed supports are in place. The work of the Senior Officials Group on Social Inclusion in drawing up an implementation plan to progress the non-income recommendations should be expedited and the full package should be ready for implementation as soon as possible.

## **Welfare to Work Incentives**

### ***Secondary Benefits***

Various measures have been put in place over the years to encourage people back to work or to retain employment. These include the retention of secondary benefits. There is no doubt that the retention of these benefits – particularly rent supplements and medical cards – is very highly valued by the beneficiaries. Their loss would constitute a major disincentive to taking up work or staying at work. The perceived value of these benefits may well be greater than their actual value but that does not change their role as incentives.

The original rationale for the retention of secondary benefits was to provide a smoother transition from welfare to work. The rigidity of the income limit for secondary benefits means that the problem is effectively postponed rather than eliminated. There has not been any systematic analysis of the long term effects of the various incentive measures. It is clear that they have short term effects but we do not know how many of the beneficiaries of the retention of secondary benefits stayed in work or left because they would lose these benefits.

We recommend that a comprehensive analysis of all these arrangements be conducted with a view to establishing whether or not they are effective in the long term and whether other arrangements might be better suited to the current labour market and economic conditions. For example, it may be that changes to these schemes to enable more lower income families to qualify may be a better way to approach the problem than simply allowing them to be retained as secondary benefits.

## **Other income supports**

### ***Bereavement Grant***

The extension of the Bereavement Grant to the families of deceased Disability Allowance recipients in the 2007 Budget is a welcome move. This should now be further extended until all recipients of means tested payments who do not qualify for a PRSI based grant are entitled.

### ***Refuse Charges***

A Refuse Allowance (similar to a Fuel Allowance) should be introduced for those low income families who cannot avail of waiver schemes because their waste collection service is privately run.

## **Housing**

The main housing problems faced by low income families relate to the availability of social and affordable housing and the operation of the Rent Supplement scheme. A

number also face the risk of homelessness due to a combination of low income, illness and/or coping skills.

### ***Homelessness preventative strategies***

Homelessness is not exclusively a housing issue as it involves health and other elements of social support. Preventative strategies involving a range of supports are needed. CICs have reported cases of people being discharged from hospital into homelessness. This is a particular problem for people suffering from mental illness. A discharge plan should be put in place involving liaison between service providers such as the HSE, local authority and community-based services.

### ***Social and affordable housing***

In spite of the housing building boom, there continues to be a shortfall in availability of social and affordable housing. More resources need to be allocated to such housing in order to assist low income families to own their own homes and to reduce reliance on the private rented sector.

### ***Rent Supplement***

CICs and CIPS continue to report many problems with the operation of the Rent Supplement scheme. The main ones are:

People in full time employment are not generally eligible for the scheme even if their income is low; frequently they are also unable to make use of the rent tax credit as they do not come into the income tax net. They do not qualify for any housing benefit in spite of their low income. This is inequitable as well as being a serious disincentive to employment.

The Citizens Information Board considers that a comprehensive scheme of housing benefit (incorporating the rent supplement scheme) catering for all people in the private rented sector should be introduced. The housing benefit would be based on an assessment of housing needs, income and means. It would have the added advantage that it could be structured in such a way as to obviate the need for retention of rent assistance as a secondary benefit. The level of benefit would be tapered in accordance with people's income. The system of rent tax relief could also be integrated into a comprehensive housing benefit scheme.

The "reasonable" rent levels set under the Rent Supplement scheme are not changed as frequently as they should in order to reflect higher rents. A recent survey<sup>1</sup> shows that rents increased in the Dublin area by between 8% and 12% over the past year and by 9% on average throughout the country. This has not been reflected in the reasonable rents set under the scheme. This failure to reflect market conditions is likely to make the rental Accommodation Scheme (RAS) difficult to implement as the rents payable under it are tied to the maximum Rent Supplement figures.

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<sup>1</sup> *The Daft.ie Rental Report August 2007*; [www.daft.ie](http://www.daft.ie)

Tenants in private rented accommodation continue to have problems in ensuring that regulations are enforced and penalties imposed on landlords who breach minimum standards legislation and/or who fail to register with the Private Residential Tenancies Board.

### **Medical Cards**

In spite of significant increases in means guidelines in recent years, the number of full medical cards allocated has not increased from the 1997 figure: There were 1,244,459 medical card holders in June 1997 and 1,227,577 in February 2007<sup>2</sup>. Almost 60,000 people had GP Visit cards in 2007 but, even when added to the full medical card figure, it is clear that there has not been any significant improvement in coverage.

In February 2007 it was announced that the Department of Health and Children in conjunction with the HSE were reviewing Medical Card Income Guidelines taking account of factors such as changes to income levels generally, the nature of typical household outgoings and changes to various social welfare schemes. Case evidence from CIC's highlights ongoing anomalies arising in medical card entitlement relating in particular to welfare dependent households.

### **People with Disabilities**

People with disabilities are also frequently low income families so many of the recommendations outlined above also apply to them. There are certain problems specific to people with disabilities.

### **Cost of Disability Allowance/Assessment of Need**

The Citizens Information Board considers that a Cost of Disability Allowance should be introduced to cover extra transport, heating, education and assistance costs for people with significant disabilities in order to promote and support independent living.

The question of a cost of disability allowance has been under consideration for quite some time. Its implementation should now be considered anew in the light of the introduction of assessments of need under the Disability Act 2005.

The Citizens Information Board welcomes the implementation of the assessment of need provisions of the Disability Act 2005. As the assessment of need provisions are introduced for adults over the next few years, the DSFA should consider carrying out a parallel assessment of income needs. This could identify the specific costs associated with the disability and allow for the gradual introduction of a cost of disability payment.

### **Domiciliary Care Allowance**

The transfer of this allowance to the DSFA and the assessment of need arrangements for children with disabilities allow for a reconsideration of this payment. Consideration should be given to replacing this with a Child Disability payment which is based on the

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<sup>2</sup> Dáil reports, 20 February 2007

assessment of need of children under the Disability Act. This could involve the integration of the Incapacitated Child Tax credit so that, in effect, the Child Disability payment becomes a cost of disability allowance for children.

We recognise that the assessment of need does not include an assessment of income needs. Nevertheless, it should be possible for the DSFA to build on the assessment and the subsequent statement of services to determine whether or not individuals incur extra costs because of their disability.

## **Housing Adaptation Grants**

The Citizens Information Board welcomes the intention to implement the revised housing adaptation grant schemes for older people and people with a disability which were announced in *Delivering Homes, Sustaining Communities*. It is hoped that adequate resources will be allocated to the new schemes so that the people who are eligible will get timely payments. We also recommend that the Department of the Environment closely monitor the implementation of the new schemes so that the problems experienced in the past do not continue. In particular the Department needs to ensure that there is consistency in the way local authorities implement the scheme, in means testing and that issues of delay in assessments are dealt with.

## **Other Income Supports**

### **Disability Allowance**

There has been a continuous upward trend in recent years in the numbers of Disability Allowance claims — at the end of 2005 there were 79,253 recipients of DA, this had increased to 83,697 at the end of 2006, and at this point there are 85,905 people in receipt of the allowance. Specific targeted interventions should be put in place for this group to ensure that recipients are provided with incentives to get into employment, to take up rehabilitative work and to be informed of their entitlements.

### **Appeals mechanisms**

People on invalidity and disability pensions may be allowed to engage in rehabilitative work (max 20 hours per week) subject to receiving written permission from the Department of Social and Family Affairs. However, if an application to do rehabilitative work is refused there is no appeal mechanism to enable claimants to challenge a decision. Such a mechanism should be put in place.

## **Transport**

The transport problems experienced by people with disabilities require an integrated comprehensive approach. The Free Travel scheme is widely available to people with disabilities but it is the case that many are not able to avail of public transport and will not be even if all such transport is accessible.

The Report of the Inter-Departmental Review Group, on the Disabled Drivers' and Disabled Passengers' (Tax Concessions) Scheme has been published for a number of years but no decisions have been made on its implementation. In our submission to that group we argued that the scheme should not be viewed in isolation from other transport/mobility schemes for people with disabilities and should also be reviewed in the context of the proposed analysis of a Cost of Disability payment. We consider that there should be a transport/mobility subsidy available to a much wider group of people with disabilities. This should be a direct payment rather than a tax expenditure and should be based on an individual needs assessment.

Grants for vehicle adaptations are currently only available to employed people with disabilities. These grants should also be made available to those who are undertaking training, or need to travel to day care centres. Unlike most HSE payments, the Motorised Transport Grant is not being transferred to the DSFA but is being retained by the Department of Health and Children. It is not clear if it is to be continued in its present form.

The Mobility Allowance is very small and people over 66 may not apply for it although they may retain it if awarded before that age. This is unfair as many over this age are likely to need it and it is discriminatory.

## **Enforcement of Employment Rights**

The need for greater protection and more effective enforcement mechanisms are recurring themes in the area of employment rights reports from CICs. The area of employment rights is the subject of a recent Social Policy Report, *Employment Rights-from information to redress*, which is available on request from the Citizens Information Board and can be downloaded from [www.ciboard.ie](http://www.ciboard.ie)

The main problems identified are:

- fear of dismissal if people seek redress for breaches of employment rights
- failure to pay the minimum wage, particularly to migrant workers and young people
- holiday entitlements,
- confusion as to the rights of part time employees,
- abuses of the work permit system,
- illegal deductions from wages, particularly from migrant workers
- difficulties accessing documentation such as terms and conditions of employment, payslips, tax certificates such as P60s.

The CIB welcomes the commitments in the area of employment rights and compliance which are contained in the partnership agreement *Towards 2016*. It also welcomes the establishment of the National Employment Rights Agency and the increase in the number of Labour Inspectors.

## **Recommendations**

### **General compliance and enforcement**

We recommend that the National Employment Rights Compliance be put on a statutory basis as quickly as possible

The establishment of a single point of contact for the Labour Court, the Rights Commissioner Service and all other services of the Labour Relations Commission and the Employment Appeals Tribunal, not only for information provision, but also for receipt and distribution of requests for service, recommended by the Review Group on the Role and Functions of the Employment Rights Bodies, should be progressed.

The institutions involved in employment rights enforcement need to give greater attention to the specific issue of better access to their services by people throughout the country.

Industries (for example, cleaning and catering) that tend to rely heavily on part-time employees should be targeted in relation to providing comprehensive information on the rights of part-time workers.

Employers should be fully informed about the operation of FIS and required to provide employees with Statements of Pay needed for FIS applications. This requirement should be included in the implementation of the Towards 2016 proposal to prescribe the form in which payroll and working time records must be kept by employees.

### **Migrant Workers**

Currently, people on work permits are not entitled to access FAS services in Ireland. This is particularly problematic for workers who are seeking alternative employment after being made redundant or who wish to leave a job because of unsatisfactory working conditions.

## **Integration Issues**

Whilst a re-evaluation of the Immigration, Residence and Protection Bill 2007 would be welcome there should not be a delay in putting the immigration system into a statutory framework. There is a substantial number of people living and working in Ireland without clear rights of residence or clear rights to family unification. Specifically, we consider that the following situations should be addressed:

### **Family Re-unification**

Currently there is no legislation dealing with the rights of Irish citizens and non-EU nationals living in Ireland to have their family members from outside of the European Union join them here. As a result, both migrants and Irish citizens are often forced to live apart from their partners and children for long periods. This situation is highlighted

regularly in queries to CICs<sup>3</sup>. The people affected include those who have been separated from their families due to voluntary or forced migration and want to reunite with family members here. It also includes others who have formed a family unit in Ireland, such as Irish citizens who have married non-EU nationals, and are trying to get permission for their family to stay here on that basis.

### **Asylum-seekers and the Right to Work**

Asylum seekers, although very much decreasing in number in recent years, are not allowed to work in Ireland (Ireland is one of only two EU member states that did not sign up to the EU Reception Directive, which allows some asylum seekers access to employment).

The National Economic and Social Forum (NESF) report *Creating a more Inclusive Labour Market* concluded that “the system of ‘direct provision’ combined with the policy of not allowing asylum seekers to carry out paid work while their claim is being processed and the limited availability of pre-employment courses is contributing to the creation of an enforced dependency on the State”. The NESF Report stated that “the prohibition [on asylum seekers working] not only contributes to the social exclusion of asylum seekers, particularly in view of its impact on self-esteem and integration into society, but it also rules out a potential source of skilled labour.”

We recommend that asylum seekers who have been in Ireland for a specific period (for example, more than 2 years) should have the right to temporary work permits.

### **Problems with the Habitual Residence condition**

In January 2006 the Minister for Social and Family Affairs announced that ‘any EU/EEA worker who suffers loss of income because he has lost employment through no fault of his own, or becomes unable to work through illness, is entitled to claim supplementary welfare allowance’. However case evidence from CICs and CIPS suggests that Community Welfare Officers continue to apply the habitual residence condition and refuse SWA to EU/EEA workers even where the loss of employment is due to illness.

## **Older People**

### **Pensions**

Government policy aims to maintain older people in independence and dignity in their own homes. Happily this policy coincides with the wishes of the vast majority of older people. The main requirement to implement this policy is adequate incomes for older people. The CIB welcomes the increases in state pensions and the income disregards which have been introduced in recent years and the recent Green Paper on Pensions which will set out options for improving occupational pension coverage. We consider

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<sup>3</sup> See also Immigrant Council of Ireland (2006), *Family Matters: Experiences of Family Reunification in Ireland*

that the policy of increasing social welfare pensions by more than the rate of inflation should be continued. In particular, we consider that the Living Alone Allowance should be substantially increased because of the greater risk of poverty among this group.

## **Older People in Need of Care**

Our main concerns are with older people who are unable to continue to live at home at all or without significant support. Concerns have been expressed by CIC and CIPS clients about the operation of the Home Care Packages which have been introduced in recent years. The introduction of Home Care Packages is very welcome in principle but in practice these are not yet widely available and there are problems with aspects of the scheme.

The primary focus of Home Care Packages is to

- facilitate the early discharge of older people from acute hospital;
- reduce inappropriate re-admissions;
- reduce pressures on A&E Departments and
- support older people to continue to live in their own community<sup>4</sup>

These aims are all entirely valid but there is a perception that the last aim is the least important. In effect, it seems that priority is given to older people about to go into, or already in, acute hospitals. Older people who need care at home but who do not need hospital care are not necessarily having their needs met.

Clear rules about who is entitled to these supports and transparency relating to conditions and criteria are required.

Home care packages do not seem to take into account the existence or otherwise of a carer in receipt of a carer's payment from the DSFA.

There is no regulation of the providers of home care services. Private home care service providers have now been exempted from VAT provided they register with the HSE.

Generally, Home Care Packages require the family/carer to register as an employer, pay employer's PRSI and handle all the responsibilities that come with being an employer. It is unrealistic to expect a dependent older person or his/her spouse or carer to take on the responsibility of being an employer. It is unfair to both the employer and the employee as it is likely that the employee will not be properly protected. This responsibility should be undertaken either by the home care service provider or by the HSE.

The proposal to introduce a new system of paying for long stay care *A Fair Deal, the new Nursing Home Support Scheme* includes a provision whereby a person may be refused any assistance with long stay care if that person could be maintained at home with appropriate supports. In theory, this is fine but, in practice, there are no guarantees that

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<sup>4</sup> <http://www.hse.ie/en/FOIandPQs/PQs/April2006/April62006/FiletoUpload,4125,en.pdf>

the appropriate home support will be available. This could result in older people being unable to get assistance either with home care or with long stay care.

This new system will involve an assessment of need but there do not seem to be any provisions to correlate this with the assessment of need provisions under the Disability Act 2005 even though many of the people concerned will become entitled to Disability Act assessments.

We recommend that the framework governing the new long stay care scheme should:

- Deal with entitlement to home care
- Provide for co-ordination with the provisions of the Disability Act
- Provide for parity of financial support between home care and long stay care