

## Development of Department of Social Protection Statement of Strategy 2016-2019

### *Submission by the Citizens Information Board (August 2016)*

#### **Introduction**

The Citizens Information Board (CIB) welcomes the opportunity to make a submission to the Department of Social Protection (DSP) in the context of the development of the Department's Statement of Strategy 2016-2019. The CIB, as a public body under the aegis of the Department, and carrying out a range of functions on its behalf<sup>1</sup>, aims to complement the role of the Department as well as other agencies by enabling people to access the benefits and services to which they are entitled and to assert their rights as citizens. The CIB strategic components are seen as mirroring and complementing the DSP mission and strategic objectives as set out in the Department's 2015-2017 Statement of Strategy, in particular, putting the client at the centre of services and policies. CIB delivery services act as intermediaries and brokers of information about public services and to ensure that citizens are helped and supported to access supports and services.

The submission contains four sections:

- (i) Matters that should be included in the Strategy
- (ii) The role of CIB delivery services
- (iii) Key issues identified by CIB delivery services
- (iv) Specific areas that require attention
- (v) Enhancing the interface between the Department and the CIB

#### **Matters that should be included in the Strategy**

The following are identified by the Board as matters that should be included in the DSP Strategy for the next three years:

- Continuing to address core strategic areas previously identified by the Department and which reflect policy areas identified by our delivery services
  - The ongoing elimination of welfare to work traps
  - Reducing poverty and deprivation rates among lone parents
  - Identifying and dealing with the root causes of poverty and inequality

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<sup>1</sup> The CIB delivery services are Citizens Information Services (CISs), the Citizens Information Phone Service (CIPS), Money Advice and Budgeting Services (MABS), the National Advocacy Service (NAS) and the Sign Language Interpreting Service (SLIS).

- Addressing over-indebtedness and financial exclusion
- Reviewing on an ongoing basis the redistribution role of social transfers in order to reduce inequality for lower income and jobless households<sup>2</sup>
- Designing, developing and delivering training and activation programmes in a manner which maximises the social return on investment for both individuals and society
- Ensuring that the benefits and supports to which people are entitled are available in a timely, appropriate and consistent manner
- Optimising from the perspective of the citizen the interface between income maintenance, training, education and activation programmes and labour market initiatives

In addition, and complementary to the above, there are some core public service policy objectives which should inform the DSP Strategy objectives and related deliverables including , in particular:

- Facilitating engagement with a wide range of stakeholders with an interest and involvement in social inclusion policies and practice (*Updated National Action Plan for Social Inclusion 2015-2017*)
- The goal of reducing poverty and social exclusion set out in the Europe 2020 Strategy<sup>3</sup> and its related focus on “empowering people through high levels of employment, investing in skills, fighting poverty and modernising labour markets, training and social protection systems” (p.17)
- Implementation of the Comprehensive Employment Strategy for People with Disabilities 2015-2024

### **The role of CIB delivery services**

During 2015, the CIB and our delivery services provided information, advice and advocacy to almost 800,000 people.<sup>4</sup> Under our current Strategic Plan<sup>5</sup>, we are

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<sup>2</sup> The recently published TASC Report, *Cherishing all Equally 2016: Economic Inequality in Ireland*, notes that the distribution of gross incomes in Ireland has become significantly more unequal since the 1980s, driven by a decline in labour’s share of national income and the related widening of wage inequalities.

<sup>3</sup> European Commission (2010), *Europe 2020: A strategy for smart, sustainable and inclusive growth, Communication COM (2010) 2020*, Brussels: European Commission; European Council Conclusions of 17 June 2010.

<sup>4</sup> [www.citizensinformation.ie](http://www.citizensinformation.ie) - Almost 17 million visits, viewing just under 50 million pages

CISs – over 600,000 clients/almost 1 million queries  
 CIPS – over 150,000 callers  
 MABS -- Almost 40,000 people assisted with problem debt  
 SLIS – 1,500 bookings and referrals  
 NAS – 1,000 people supported by Disability Advocates

committed to enhancing *citizens' access to consistent and high quality information, advice, money advice, and advocacy to meet their needs, now and in the future*. The CIB Strategy includes revising the structures of CISs and MABS and aligning CIB structures to better serve the citizen and to maximise effective use of resources.

The engagement with citizens by CIB delivery `services involves multiple information requests, requests for advice/assistance and advocacy supports (CISs and CIPS), complex interventions on behalf of people with disabilities (NAS) or rescheduling personal debt with multiple lenders (MABS). The establishment of the Approved Intermediary Service (AIS) and the Dedicated Mortgage Arrears (DMA) within MABS has presented new opportunities to engage more fully with people who are over-indebted.

About half of queries to CISs and CIPS refer to social welfare matters. This is to be expected given the number of people in receipt of welfare payments<sup>6</sup>. A breakdown of social welfare-related queries shows that people have information, advice and advocacy needs relating to income maintenance and related supports right across the life-cycle. Of the 458,000 social welfare-related queries that were processed by CISs in 2015, over 73,000 concerned the *Families and Children* information category (with an additional 7,000 queries to CIPS). The three main payments that concerned clients were the Family Income Supplement (representing over one-third of this category of queries), the One Parent Family Payment and Child Benefit.<sup>7</sup> In some instances, the query was about how to access basic income, for example, emergency payments under the SWA scheme.

### **Key issues identified by CIB delivery services**

Based on the experience of our delivery services, there are a number of underlying issues that can be identified as requiring ongoing attention and which are relevant to the DSP Strategy:.

- (i) Since chronic household joblessness has serious implications for the material and psychological wellbeing of families, the income support priorities should continue to be focused on maximising employability. This approach obviously needs to be complemented by strong and sustained job creation.
- (ii) An ongoing challenge is how to make the social welfare system more responsive to casual and atypical working and to facilitate the take up of part-time or temporary employment opportunities as they arise and to help to encourage and facilitate people to move from welfare dependency to

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<sup>5</sup> [http://www.citizensinformationboard.ie/downloads/cib/Strategic\\_Plan\\_2015\\_2018.pdf](http://www.citizensinformationboard.ie/downloads/cib/Strategic_Plan_2015_2018.pdf)

<sup>6</sup> Almost 1.6 million people are in receipt of a weekly social welfare payment with almost 2.1 million benefiting from social welfare payments when qualified adults and children are included. 619,308 families receive monthly Child Benefit payments in respect of 1.2 million children. (DSP Ministerial Briefing - May 2016).

<sup>7</sup> These payments were also the subject of a significant amount of case study evidence submitted to CIB by information services in the form of 'Social Policy Returns' (SPRs) - wherein staff identify a policy issue that they are coming across repeatedly or deem it to be an issue that has a serious impact on clients.

work. This is particularly relevant to women given the preponderance of women in part time and minimum wage employment.

- (iii) The lack of access by some families to basic banking and the changed criteria in recent years for accessing SWA Exceptional Needs Payments (ENPs) has contributed a growing reliance on money lenders for cash for daily living which has significantly added to their over-indebtedness.<sup>8</sup>
- (iv) The waiting times for social welfare appeals to be processed (despite ongoing positive developments in this area) continue to present difficulties for CIS and CIPS users.

### **Specific areas that require attention identified**

The CIB wishes to suggest three specific areas for consideration by the Department in developing the new strategy:

- (i) Financing of long-term care
- (ii) Role of Supplementary Welfare Allowance
- (iii) Bridging the income gap between mandatory retirement and old age pension

### ***Financing Long-term Care***

Ireland, like many other countries, has an ageing population and this has moved the issue of long-term care and related financing into the front line of policy debate. Currently, long-term care is financed principally from general taxation and personal contributions. The challenge is to find a financing system which achieves similar levels of service supply in both the community and in residential care facilities.

There is a strong case to be made for the State taking a lead role in addressing the question of the equitable distribution of the cost of long-term care. In looking at the question of state financing of long-term care in Ireland, it is important to note that systems which are well-funded (by whatever method) and are operated by a specially-designed and relatively uniform structure are more likely to provide a high-quality standardised service.

A Mercer 2002 Report<sup>9</sup>, commissioned by the DSP (then the Department of Social and Family Affairs), reviewed possible options for long-term care financing in Ireland, including:

- 1) Private sector or combined public/private sector approaches
- 2) Use of the PRSI system to finance/fund long-term care
- 3) Whether the current system of long-term care financing (through taxation) should remain the status quo

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<sup>8</sup> The extension of the CIB supported Personal Micro-credit Scheme is a welcome and positive development <http://www.welfare.ie/en/pressoffice/Pages/pr260716.aspx>

<sup>9</sup> <http://www.welfare.ie/en/downloads/stetffolcii.pdf>

The advantages of a social insurance public financing model were identified by Mercer as follows:

- 1) Social insurance would eliminate means-testing for those whose contributions qualify them for benefits;
- 2) The public may be more willing to pay additional social insurance contributions than higher taxes to fund long-term care;
- 3) Social insurance financing for long-term care would provide a reasonable “fit” in the Irish context;
- 4) The strong entitlement to benefit that social insurance financing would confer, along with earmarking of the contributions made to pay for the benefit, would be likely to engender good public support;

It is now timely for the Department to revisit this issue and to review the financing options as part of a cross cutting departmental approach. The CIB suggests that some provision for such a review might be included in the *Statement of Strategy 2016 to 2019*.

### ***Role of Supplementary Welfare Allowance***

While SWA is a relatively small proportion of CIS queries overall, there are some difficulties in accessing SWA payments reported by CISs and by MABS. Any difficulties in this regard are clearly a matter for concern given its critical role as a safety net payment.

Departmental statistics show that the number of SWA recipients fell from 43,000 in 2009 to 18,000 in 2014 (-58%) with spending falling from €233m to €81m (-65%). During the same period, the number of Exceptional Needs Payments (ENPs) fell from 218,000 to 96,000 (-60%) with spending falling from €82m to €30m (-63%). The number of Urgent Needs Payments has fallen by 73%.<sup>10</sup>

Two aspects of these reductions are of particular importance and require further consideration by the Department. Firstly, these reductions occurred during the period of the economic crisis when the proportion below the poverty line rose from 14.1% in 2009 to the most recent figure of 16.5%<sup>11</sup>, when unemployment continued to rise (peaking at 15% in 2012) and when over-indebtedness became an issue for many households. It may be the case that the role of the basic SWA as a temporary payment became less important because claims for other payments (e.g. Jobseeker's Allowance) were dealt with more expeditiously.

This trend in expenditure on and numbers in receipt of SWA needs to be reviewed in the context of the current implementation of the scheme and how this compares with its original intended role as a safety net. There is also a need to look again at how the discretionary aspect which is integral to the scheme is operating in practice and whether the re-balancing of priorities in relation to the SWA scheme in general and

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<sup>10</sup> Department of Social Protection (2016), *Ministerial Brief*

<sup>11</sup> Central Statistics Office (2015), *Survey on Income and Living Conditions (SILC) 2014 results*.

ENPs in particular have impacted on its intended role to provide a 'relatively flexible support service which will enable assistance to be given, quickly and as of right, to those in urgent need or who cannot be helped under other income maintenance services.'<sup>12</sup>

### ***Bridging the income gap between mandatory retirement and old age pension***

Some people have to retire at 65 due to contractual requirements but do not qualify for a State pension until they are 66. This State pension qualifying age will increase to 67 years in 2021 and to 68 years in 2028. Many of those who have to retire at 65 are now reliant solely for their income on jobseekers' payments (Jobseeker's Benefit or Jobseeker's Allowance) which is significantly less than the State pension (€188 a week compared to €233.30). This gap will become more problematic when the State pension qualifying age increases further. The CIB believes that it is an area which requires some further attention by the Department. This is also necessary because of changed eligibility for pro-rata pensions and the proposed move to a 'total contributions approach' due to come into force in 2020 where the level of pension paid will be directly proportionate to the number of social insurance contributions made by a person over their working life and a total contributions requirement of 30 years contributions for a maximum pension will be introduced.

The special administrative provisions in place for older jobseekers which take cognisance of the fact that older jobseekers may have more difficulty re-training and re-entering the workplace if they have to retire due to contractual obligations are clearly important (under current legislation, employers can enforce retirement as long as it can be 'objectively justified'). However, some people are unable to find alternative employment and have to live on significantly reduced income – in effect, people are almost €2,700 a year less well-off than they might have reasonably expected to be due to having to rely on a jobseeker's payment. The proposed increase in the qualifying age for the State pension will obviously compound this issue.

## **Enhancing the interface between the Department and CIB delivery services**

### ***Maximising the use of client data***

Data collection by CIB delivery services is an important aspect of service delivery and can inform policy-makers about particular trends and problems in relation to the interaction between citizens, the social welfare system, employment services and housing policy. Annual, half-yearly and quarterly data provides a snapshot of the problems and concerns of people at a particular point in time. Analysis of how these concerns and queries change over time, both in scale and in detail, contributes to our understanding of the administrative and socio-economic challenges and changes we face and may, indeed, offer lessons for the future. Areas of particular relevance in this regard include: the timely availability of services, the adequacy of income support systems, welfare to work traps, the particular needs of people with disabilities, dealing with the complex social welfare system that has developed incrementally over the years and, very importantly, responding to the needs of over-indebted households. .

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<sup>12</sup> Seanad Éireann, *Debates*, 10th December 1975.

As well as information, advice and advocacy provision, CISs and CIPS provide a very useful data and feedback source. By capturing the needs and experiences of different groups of the population across the life-cycle, they are in a position to enhance understanding of the interactions with the State by specific population groups, e.g., one-parent families, migrants, ethnic minorities, atypical workers, people with disabilities, older persons and prisoners.

MABS is an important source of information about many aspects of over-indebtedness, e.g., the extent and characteristics of debt including mortgage debt<sup>13</sup>; the proportion of income being spent on different types of liability and expense; debtors' experience of debt enforcement and personal insolvency provisions; borrowers' experience of Codes of Conduct and redress mechanisms; the experience of being over-indebted; how over-indebtedness impacts on financial exclusion, particularly in terms of access to credit and mainstream financial services including banking, savings and insurance; and the broader impacts of client-centred money advice on the over-indebted individuals who avail of it. This data provides a very useful insight into the problem of over-indebtedness nationally.

### ***Collaboration between the DSP and the CIB***

In carrying out its statutory role, the CIB acts as an intermediary between the citizen and the State. The daily interactions with members of the public by our delivery services place the CIB in a unique position to contribute to policy development. While the CIB makes pre-budget and other thematic submissions and prepares social policy reports on specific issues, the Board believes that there is potential to work in a more collaborative way with the Department (and with other statutory agencies as appropriate) to identify new ways of addressing a range of service access and policy deficits identified by our delivery services .

Areas of collaboration that could be developed further are:

- Exploring how CIS, CIPS and MABS client data might be used more systematically to inform policy development and DSP strategic thinking
- Facilitating effective day to day linkages between CIB delivery partner personnel and local DSP personnel<sup>14</sup>, for example,
  - CISs/CIPS having better access to DSP information systems
  - Direct telephone contacts between CISs and key DSP offices
  - An email protocol between CISs and DSP local offices
  - Access to Circulars issued by the Department re. changes to benefits and schemes
- Looking at ways in which CIS and CIPS information providers can contribute to ensuring that all relevant information is available at the initial application stage for various payments, thus reducing the number that have to go to appeal to the SWAO in order to be granted (such appeals are frequently

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<sup>13</sup> The strengthened role for MABS in providing independent advice to distressed mortgage holders through provision for the Dedicated Mortgage Advice Service is welcomed.

<sup>14</sup> There are a number of useful collaborative initiatives between DSP officials and CISs at local level.

supported by CIS information providers)

- Continue to channel the experience and perspectives of NAS to inform the ongoing development and implementation of the National Disability Strategy with particular emphasis on the move from congregated settings and related provision of supports for independent living as well as addressing the cost of disability issue.