



## **‘Budget 2024 Priorities – Income Adequacy, Housing, Public and Social Services and Financial inclusion Measures’**

**Citizens Information Board**

**Pre-Budget Submission 2024**

The Citizens Information Board (CIB) supports the provision of information, advice, advocacy, money advice and budgeting services across a wide range of public and social services. These services are delivered in three different ways – online, by phone and in person.

A key role of CIB is to support, promote and develop data and information on the effectiveness of current social policy and services, and to highlight issues that are raised by the users of those services. Through research and analysis of caller and query data and the feedback received from our services, we identify relevant problems and priorities across a range of sectors. These include social welfare, housing, health and social services, along with the areas of over-indebtedness and financial exclusion. We provide data and analysis to inform public policy and influence budgetary choices.

- ❖ [www.citizensinformation.ie](http://www.citizensinformation.ie) – In 2022, the website had **8,115,785** users and just under **34,520,387** million page views
- ❖ Citizens Information Services (CISs) - 394,400 people contacted CISs with 788,902 queries in 2022
- ❖ Money Advice and Budgeting Service (MABS) - dealt with almost 43,000 clients/callers who were helped with problem debt last year - includes 26,772 callers to the MABS National Helpline.
- ❖ Citizens Information Phone Service (CIPS) - dealt with over 137,000 enquiries
- ❖ National Advocacy Service (NAS) – provided 3,576 instances of advocacy, representative advocacy support in 868 cases and empowerment support in a further 709 cases. The NAS national phone line received 1,367 calls in 2022.

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## Introduction

This submission is informed by the matters raised by citizens in their queries to and contact with CIB delivery services since last year's Budget - Citizens Information Services (CISs), Citizens Information Phone Service (CIPS), the Money Advice and Budgeting Service (MABS), and the National Advocacy Service for People with Disabilities (NAS) - as well as the policy issues identified by staff in services during the course of processing queries and dealing with callers and clients.

In 2022, services experienced an increase in demand from the public compared to 2021,<sup>1</sup> as over half a million people contacted CIB funded information services with almost a million information and advice queries. 394,400 people contacted CISs with 788,902 queries, with the average number of callers a month at 32,867. In addition, CIPS, the national phone service, dealt with over 137,000 callers.

A significant number of Citizens Information Services (CISs) callers are from low income working households or are dependent on social welfare, with an average of 44% of all queries relating to social welfare over the past few years<sup>2</sup>. In 2022, callers' queries on Social Welfare (47%), Housing (10%), and Health (7%) made up two-thirds (64%) of all queries to these services, and as such are the main focus of this Pre-Budget Submission<sup>3</sup>. A similar pattern continued for the first half of 2023: of the 413,000 queries to CISs in Q1 and Q2, 46% were social welfare related, 11% were Housing, and 7% were Health related.

CIB's pre-Budget submission 2024 is set in a context of change, with many positives since last year's Budget, including improvements in eligibility criteria for specific social welfare schemes/payments (e.g. Fuel Allowance, Disability Allowance). More broadly, there has been continuing growth patterns, near full employment, as well as investment and improvement in some public services. At the same time, high poverty rates (13% at risk of poverty in 2022) and homelessness figures (an increase of over 20% since last year) persist indicating that the cost of living crisis continues to impact households who were already having difficulties prior to the rise in prices. The past year has also seen multiple problems for the public in trying to access services, in particular, housing, and health, as reported by CIB funded services.

Evidence from services indicates that some clients are facing financial hardship and insecurity where income levels are not adequate to pay for high housing costs, food, and energy prices. This is in the context of a labour market nearing full capacity, and an unemployment rate falling to a low of 3.8 per cent in May 2023. As providers of information, advice, and assistance, CIB funded services encounter the multi-faceted difficulties faced by clients, where inadequate incomes and rising costs, are combining with problems in accessing public

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<sup>1</sup> A 17% increase in callers in 2022 - <https://www.citizensinformationboard.ie/en/data-hub/>

<sup>2</sup> <https://www.citizensinformationboard.ie/en/data-hub/>

<sup>3</sup> The citizensinformation.ie website saw similar trends. With over 8 million users and 34.5m page views in 2022, the most viewed category was Social Welfare (29%), followed by Employment (12%), Travel, Housing and Health all at 7% of total page views and Moving Country and Money and Tax both at 6%. The top 5 visited pages were *Fuel Allowance* with over 574,208 page views followed by *Illness Benefit* with 408,618 page views, *Travelling to Ireland during COVID-19* (403,628 page views), *State Pension (Contributory)* (399,060 page views) and *Working Family Payment* (389,976 page views).

services pushing people into more precarious situations. While CIS data is recorded into discrete categories of social welfare, housing, health, education, etc. individuals present to services with problems, crossing all these domains.

This submission reiterates the concerns emerging from the query trends and feedback from the CIB network of services providing information, advocacy, money advice and debt management supports across the country. Budget priorities relating to income adequacy, meeting costs of living, housing supports, and health services are outlined with considerations for policy change. MABS recommendations relating to targeted housing supports, mortgage debt, and consumer protection, cost of living, and financial exclusion are set out separately in the submission.

## Housing

This section explores the multiplicity of issues clients faced in accessing accommodation and housing supports, which were experienced as inadequate in the context of rising housing costs. Difficulties experienced related to eligibility for social housing supports, income thresholds, supply of appropriate and accessible housing, and administration processes relating to HAP and social housing applications. The evidence from services demonstrates that the changes introduced including increasing the discretionary limit for HAP, and the increase in the assessable income limit for social housing were not sufficient to provide for those households with greatest need.

Since the beginning of this year, there has been an escalation of queries and Social Policy Returns (SPRs)<sup>4</sup> related to the housing theme recorded by CISs. There were over **75,000 housing related queries last year** across social housing and the private rented sector, and over 45,000 queries were recorded for the first six months of 2023, (up by 22 per cent on the same period last year). Specific issues of concern raised by services were about access to social and affordable housing, the Housing Assistance Payment (HAP), and the private rental sector. MABS experience of working with people in mortgage arrears is also featured in this submission.

Of the 75,414 housing specific queries to CISs in 2022,<sup>5</sup> over half, 52% were related to local authority/social housing issues, and of these almost 30% were related to the Housing Assistance Payment (HAP) (11,552). A further 12,000 housing queries in 2022 related to renting in the private sector. A CIB/Threshold report on 'Renting and Risk' reviewed over 90,000 queries to both organisations over a two year period on renting problems. The research found that lack of security of tenure and affordability were the top concerns, with tenancy termination the most prevalent issue facing private renters.<sup>6</sup>

Callers presenting with housing queries to CISs and CIPS comprise those who are on low incomes, in receipt of social welfare payments, and/or in low paid work, and in addition, a

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<sup>4</sup> Cases flagged by services as indicative of a wider policy or administrative concern.

<sup>5</sup> CISs dealt with a total of 790,000 queries from members of the public on all aspects of rights and entitlements in 2022. <https://www.citizensinformationboard.ie/en/data-hub/>

<sup>6</sup> [Renting and Risk: An analysis of the Vulnerabilities of Renting](#)

more recent phenomenon, callers who are in more stable secure and better paid employment at risk of losing tenancies.

### Social Housing Supports

The evidence from services show that the development and roll out of an alternative or revised income eligibility model for social housing this year is required more than ever<sup>7</sup>. The challenge of finding an appropriate balance between adequate eligibility thresholds, on the one hand, and ensuring supports are provided to households with greatest need, on the other is recognized. Callers to the CISs faced a multiplicity of issues in accessing accommodation and housing supports.

Services reported instances of **'caught in the middle'** clients whose income was too high to access social housing and too low to secure a mortgage. Further support is needed to prevent these families slipping into becoming dependent on homeless services. While the increase in the social housing assessment limits in January 2022 by €5,000 was welcomed, this increase is not adequate to address the level of need.

**Delays** in processing and allocation of social housing caused financial hardship and affected those who were already experiencing marginalisation e.g. callers who were parenting alone; as well as vulnerable clients experiencing difficulties with the application process. Social housing applicants on housing lists long-term may find that due to marginal income increases, e.g. a small pay rise, they no longer meet the income threshold for social housing, but had they been housed earlier, they would just be paying a higher differential rent, and would not be facing homelessness. The fact **that HAP is not backdated** also added to financial struggles and stress related to money management. Delays in processing applications had an impact on clients in trying to secure accommodation, where landlords could not wait and ended up giving the accommodation to someone else.

Delays and blockages were raised by clients seeking **transfers between local authorities** for legitimate reasons. This affected a client who was a victim of domestic violence, whose ex-partner lived close by, and breached a barring order; a client with a disability living in inappropriate housing affecting his medical condition.

The housing crisis also produces a **disincentive to work** where callers were considering either giving up work or reducing their hours in order to remain below the income limit and qualify for social housing supports.

Client has moved back home with 3 children and is living with 3 siblings and parents in a 4 bedroom house. They are currently sleeping on the couch with their 3 year old child. Client was initially in receipt of OFP and applied for placement on the housing list and this was granted. They opted to return to work and secured full time employment but, with their OFP, their income went over the threshold and they were removed off the housing list. They have closed their OFP claim in order to get back on the housing list but are €1,400 over the threshold. They are considering giving up their employment in order to get on the housing list but they do not want to do this.

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<sup>7</sup> Minister for Housing, Daragh O'Brien, TD, Dáil debate, December 2022.

**Eligibility issues** for social housing supports were recorded for parents whose adult children in employment must remain in the household, and where assessed household income changes to reflect this extra income.

In the calculation of assessable income for the **differential rent scheme**, there was evidence of disparities across Local Authorities on disregarded income. Carers Allowance is included in the calculation of rent for Dublin City Council and Fingal County Council, but, South Dublin County Council disregards this in their calculations. SDCC also disregard the Working Family Payment<sup>8</sup>.

This year there were even more examples of **people with disabilities** being offered unsuitable accommodation with no alternative options available. A CIB/Disability Federation of Ireland report published last year identified the following difficulties in this regard: failure to take account of particular needs; poor differentiation between the needs of differing individuals and differing disabilities; poor understanding or awareness of disability among some local authorities; little account taken of location, family and social networks; and perceived pressure on individuals to accept an inappropriate offer of accommodation because of fear of being removed from the waiting list<sup>9</sup>. The report recommends the need for stronger accountability mechanisms in respect of local delivery of social housing for disabled people and people with mental health difficulties.

The lack of rental accommodation for **Housing Assistance Payment (HAP)** recipients and the need to pay top-up payments perpetuates a two-tier model, comprising of mainstream social housing for some, while others are experiencing a heavy burden as tenants on HAP. This is also reflected by MABS in this submission. An inability to find rental accommodation affected clients issued with eviction notices as well as inadequate HAP limits, even where the discretionary increase of 35% above the rent limits is applied, as increases in market rents are occurring in parallel.

Client has received notice that his rent is increasing from €628 to €850 per month. HAP have increased assistance (by increasing rent limit by 35%, compared to previous 20%). But client (who is on Invalidity Pension) is still having to pay €164 per month more, so that 42% of his income is used to pay rent. Client said he cannot afford this. Unchecked rent increases and HAP rent limits which are far below market rents is causing hardship particularly for those who, like this client, have a fixed income, i.e. do not have the option of earning additional income, and so have to go without essential needs in order to meet increased rent payments.

Single client claiming Disability Allowance, her rent is €850 per month. Even with the uplift of 35% from the HAP the client cannot afford to pay the remaining monthly rent.

Callers were increasingly telling services about the lack of available accommodation in the private rental sector and that rented accommodation was not available at any cost. The shortage of available and affordable rental accommodation impacts people in different ways. The lack of appropriate housing creates multiple challenges for **people with a disability**.

<sup>8</sup> <https://www.sdcc.ie/en/services/housing/paying-your-rent/differential-rent-scheme-2023-signed.pdf>

<sup>9</sup> CIB/DFI (2022) The Right Home: the housing needs of people with disabilities.

[https://www.citizensinformationboard.ie/en/publications/social\\_policy/research.html](https://www.citizensinformationboard.ie/en/publications/social_policy/research.html)



Clients who experienced the onset of illness/disability were in particularly difficult circumstances and the interaction of housing and social welfare supports resulted in clients not having sufficient income to meet the costs of living.

A client who had availed of Homeless HAP, but who had to stop work due to heart condition, and unlikely they will be able to return to work. Insufficient contingency for illness. Now they cannot afford to pay the rent to the Council, the monthly top up of €200 to the landlord, as well as utilities and other bills.

Person was in full time employment and receiving HAP. Their situation changed and they are now on DA - only income. They are paying a top up to the landlord, and paying more on rent than they would if they were on Rent Supplement. They cannot switch to Rent Supplement if they are already on HAP, even if there has been a significant change to their circumstances and they are worse off. If they discontinue the HAP and apply, there will potentially be a gap and the Rent Supplement section advised them they just can't change, even if they fit the criteria. This means the family are living well below the SWA rate after they pay their rent. They cannot afford bills and are in debt and cannot afford basics on the DA, and it is because of serious illness.

There are particular challenges faced by those **living in direct provision, asylum seekers, and those granted refugee status**. International protection applicants experience financial hardship having to survive on €38 a week and struggle to access housing, including trying to access temporary accommodation in Dublin until spaces become available in direct provision accommodation.

A family with residence permission 3 years ago, with Homeless HAP approval with a limit of €1,950; with a good work and character references. She and her four children are living in one room as they have been doing for the past 5 years. She has been advised that her only option would be to move out of Dublin to find accommodation, but she is fearful about protests and potential attacks on migrants in some areas, as well as subjecting her children to possible racist attacks, and the impact of that. She would also have to give up her job, she feels she is stuck in a hopeless situation.

Caller lives in direct provision system and has been given leave to remain. She has received a letter from IPAS asking her to leave the accommodation but she has nowhere else to go. She is on the LA housing list but cannot find a landlord who will accept HAP.

Client is an undocumented migrant, she has applied for leave to remain under the undocumented migrants scheme, she is waiting for a decision on her application. From tomorrow the client will be homeless, as she is currently an undocumented migrant with no status, the Dublin Regional Homeless Executive will not provide any support.

Experiences of **housing discrimination** were reported where landlords refused to sign HAP forms, instead giving the clients notice to vacate (in some cases invalid) the property. Fears of being evicted were expressed if tenants speak up about maintenance/repairs needed to their accommodation, or where a landlord plans an invalid increase in rent.

Client asked landlord to accept HAP but he served her with an eviction notice as a result. Client only in the property a year and has to be out by November as landlord said he is selling the house. Client in complete distress as she is a single parent working full-time and is terrified of becoming homeless.

This client has been in the same private rented accommodation for 13 years. Their circumstances have changed and they are having problems with paying the rent. They were accepted on the housing list but now the landlord is refusing to complete the HAP forms for them.

## Homelessness

Services also identified a variety of problems for clients who were **homeless or at risk of homelessness**. These included:

- Lack of emergency accommodation in general, and in particular for those with a disability; eligibility issues; safety fears in all male emergency accommodation situations due to threat of violence.
- Families with children living long-term in emergency accommodation with resulting impact on their mental health; experience of trauma and insecurity and its long-term effects on children in particular, e.g. changing schools, losing friends etc. Impact of homelessness with breakup of the family, children going into care under voluntary care orders, children with disabilities being left in the care of relatives, due to unsuitable emergency accommodation.
- Homelessness as a problem around the entire country, and not just confined to cities and towns.
- Callers being just over the limit for social housing.
- Callers unable to find affordable rental accommodation, even when HAP approved.
- Treatment of vulnerable individuals/families with mental health, and addiction problems by Local Authority staff who it is acknowledged are under a lot of pressure with the housing crisis.
- Intersection of housing/homelessness and employment where clients have to consider changing jobs in order to be able to access emergency accommodation near their place of work.
- Older adults in vulnerable situations experiencing distress due to having to couch surf; older adults dependent on State Pension (Non-Contributory) who have been renting long-term at risk of homelessness due to rent increase and lack of rental accommodation.
- Particular challenges faced by people with disabilities experiencing homelessness, as evidenced by the National Advocacy Service (NAS), including the inaccessibility of homelessness services for people with disabilities; and where disability services have narrow remits in terms of supporting people in homelessness.

The **Rent Tax Credit** of €500 a year was introduced in December 2022, but callers reported not being able to avail of this credit where landlords are not registered with the Residential Tenancies Board.

Problems with eligibility for the **Cost Rental Tenant in Situ Scheme** were recorded where the accommodation clients were renting was deemed not appropriate for their family size, e.g. a two bed apartment with a family of five living in it.

**Administrative issues** impacted clients in different ways principally leaving them in states of uncertainty and waiting for their situation to be resolved. Inconsistencies between local authorities and within local authorities on the application of the discretionary top-up of 35% was raised, with no guidelines available on its application. A lack of clarity and information gaps in other areas were reported for example, guidance on the timeframe for processing applications, informing applicants of their place on housing lists, as well as the amount of savings that are permitted in assessments for social housing applications. The application process was experienced as too complex where clients do not have accounts with Revenue and mywelfare.ie

### **Housing Adaptation Grants**

CISs have seen a significant increase in queries relating to housing adaptation grants – over 11,500 in 2022, up 35% on the previous year (and 7,500 queries in the first half of 2023). The inadequacy of grant levels was reported due to the increasing costs of materials, and labour to carry works out, and unfortunately it is some of the people who need it the most who could not avail of it. Services also reported backlogs and waiting periods for clients when applying for these grants, including for example, a wait of 48 weeks for an assessment, followed by the time needed to carry out the works. These delays had a knock on impact on people waiting to be discharged from hospitals. As highlighted in our PBS last year, assessment of the income of the household, rather than the income of the person with a disability was raised as a barrier.

Client's elderly mother, a social welfare recipient, with no savings, is in hospital after an accident and cannot return to the home. Extension is needed to the house to allow her to sleep downstairs and for installation of a wet room. The maximum grant is €30,000 but the builders are quoting between €45,000 and €50,000. Cannot pay for the shortfall.

While a 2.3% increase in the grants announced in May 2023 was welcomed, the funding model is not in line with current construction costs. Other problems identified were people with learning disabilities and older people finding the online application process too difficult.

### **Budget Priorities -- Housing**

- Increase investment by the State in the provision of social housing to a substantially greater extent than it does at present, which could lessen the pressures that exist across all parts of the private housing sector, thereby increasing accessibility and affordability<sup>10</sup>.
- Develop a mechanism for the index linking of social housing income limits to wages/rents/inflation, and provide for regulation of this index.

<sup>10</sup> CIB's submission to the Housing Commission consultation on housing policy (April 2023). <https://www.citizensinformationboard.ie/en/publications/submissions/>

- Revise HAP rent limits in line with market rents. Consider provision of interim payments similar to SWA for those in receipt of social welfare payments who are waiting for their housing needs assessment to be processed in their application for HAP. This would ease stress and reduce rent arrears. Lack of arrears payments in relation to HAP application means that some are in danger of losing their home while waiting for their application to be processed.
- Additional measures (e.g., tax) to incentivise landlords to remain in or enter the market.
- Abolish 'no-fault' evictions.
- Introduce a rent arrears management strategy, like the mortgage arrears framework provisions.
- Expand Rent Pressure Zones and greater enforcement of such zones.
- Invest in improving the application of universal design, lifetime adaptable housing and a futureproofing approach (following Universal Design Guidelines) to ensure that the housing needs of people with disabilities are met; this will result in a reduced need for retrofitting and better provision for a changing and ageing demographic. At a minimum, provide for a quota of new houses to be built to wheelchair liveable standards
- Provide adequate resources aimed at enabling the upgrading and adaptation of housing (both owner-occupied and rented) for people with changing accommodation needs, which should reduce demand for new-build accommodations.
- Increase the maximum grant limits, income thresholds and disregards of the Housing Adaptation Grant to provide for rising construction costs.
- Provide more resources to help children and parents deal with the trauma of homelessness, including free and easy-to-access counselling and psychological supports, as well as recreational activities and educational supports. Note there is a commitment in the Programme for Government on the HSE providing a dedicated funding line and resources to deliver the necessary health and mental health supports required to assist homeless people with complex needs.
- Ensure homeless services are designed to cater for people with disabilities who are experiencing homelessness.

## Income adequacy

This section reviews the data in relation to income, welfare, and work, as well as eligibility requirements for various schemes/payments. It focuses on the experiences of people with disabilities, people experiencing illness/chronic conditions, people in part-time and casual low paid work, qualified adults, and older people. Research on the Minimum Essential Standard of Living (MESL) shows that social welfare payments continue to be inadequate (as noted by MABS in the second part of the submission, based on their dealings with indebted clients), with **the real value of social welfare payments falling** in 2023. The research also indicates that the incidence of deep income inadequacy has spread to a wider range of household types

and compositions, including households with older children and one adult headed households<sup>11</sup>.

Over the past year, CIS and CIPS Information Providers recorded many examples in queries and Social Policy Returns (SPRs)<sup>12</sup> of the problems clients have in trying to manage on ever tighter incomes in the face of higher and higher costs. The table shows half yearly query numbers for particular income supports comparing Q1 and Q2, 2023, with the same period in 2022. There were increases in queries from the public across a range of payments/schemes. In 2022, for example, full year Fuel Allowance queries stood at almost 33,000, up from 14,251 in 2021, an increase of 131%.

Queries to Citizens Information Services	Jan – June 2022*	Jan - June 2023	% change
Disability Allowance	12,256	14,016	+14%
Fuel Allowance	8,900	12,764	+42%
Household Benefits Package	8,491	8,711	+2%
Basic Supplementary Welfare Allowance	6,077	7,351	+21%
Additional Needs Payment <sup>13</sup>	3,282	6,795	+107%
Living Alone Increase	2,988	3,503	+17%
Increase for a Qualified Adult	1,274	1,515	+19%
Rent Supplement	1,809	2,115	+17%

\*Half-yearly query data comparisons are used here to reflect the most recent data trends.

### Disability and Illness

In 2022, there were over 55,000 queries to CISs on Disability and Illness payments, - 24,741 queries on Disability Allowance (DA), 15,907 on Illness Benefit (IB), and 11,373 on Invalidity Pension (IP).

**Extra costs** for those who have a disability relating to mobility, transport, communications, care and assistance services, equipment, aids and appliances, and medicine were identified as part of the 2021 Indecon research on the cost of disability.<sup>14</sup> Many of these costs are not met through existing social protection schemes. Extra costs in heating one’s home are experienced by individuals who have an illness/disability and therefore, eligibility for Fuel Allowance and the Household Benefits Package is critically important for these groups. Eligibility issues for Fuel Allowance and the Household Benefits package were connected with household composition, for example, where a person with a disability is a tenant sharing with others.<sup>15</sup> The differential treatment of income from employment versus income from an

<sup>11</sup> MESL specifies the average weekly cost of the goods and services deemed necessary to enable a socially acceptable minimum standard of living. <https://www.budgeting.ie/publications/mesl-2023/>

<sup>12</sup> Social Policy Returns (SPRs) are cases submitted by services relating to issues impacting on their callers and which are indicative of wider policy or public service administrative barriers.

<sup>13</sup> Additional Needs Payment was recorded as Exceptional/Urgent Needs Payment in 2022.

<sup>14</sup> Indecon International Research Economists (2021), The Cost of Disability in Ireland, November, <https://www.gov.ie/en/publication/1d84e-the-costof-disability-in-ireland-research-report/>

<sup>15</sup> To qualify for Fuel Allowance one must be living alone or with one of a number of individuals listed as, e.g. spouse/civil partner/cohabitant; dependent children, a person in receipt of a carers’ payments; other SW recipients in receipt of a qualifying payment; or person aged over 70.

occupational pension in the means assessment for Disability Allowance caused concern as it could mean the loss of DA for spouses.

### Illness Payments

Eligibility to, and adequacy of **illness payments** emerged as concerns in the past year for some clients of services, in the context of rising prices. The fact that those in self-employment do not have access to Illness Benefit, as a short term benefit, continued to be frequently raised in the SPRs. Those in self-employment are paying lower levels of PRSI in comparison to employees, and therefore cannot avail of similar benefits. It is acknowledged that eligibility for the self-employed to Invalidity Pension was introduced at no extra cost to those who are self-employed.

There is no coverage for illness for those in receipt of the Widow's, Widower's or Surviving Civil Partner's Pension who become ill and lose their employment income which caused hardship for some, notwithstanding that it is generally only possible to claim one personal social assistance or social insurance payment at a time<sup>16</sup>. While statutory sick pay is some help, it is only for short-term illness, and there continues to be gaps where people are experiencing inadequate income during periods of illness, particularly in the context of rising rents.

A greater need for targeted supports was identified for women (predominantly) who have been engaged in low paid, lower skilled work (e.g. caring roles, home help), and who as they age find the physical demands of this labour too difficult.

Income adequacy concerns were reported in general for clients in receipt of Illness Benefit, who were struggling to meet costs of living, due to the sharp fall in their income. Instances of income inadequacy for Illness Benefit recipients points to the need to provide better income replacement for short- to medium term illness. The ESRI<sup>17</sup> has observed that there is a strong case for linking the level of Illness Benefit to earnings, noting that Ireland is an outlier with respect to absences due to illness that lasts more than ten days but less than a year, as most EU countries have benefits that are linked with the employee's previous income.

### Linking Benefit Payments to Previous Levels of Earnings

CISs and MABS have previously highlighted the impact of **sudden losses of income** on their clients and have raised the need for increased welfare payments *in the early stages of job loss as a cushioning element*<sup>18</sup>. There is a coherent economic case for linking benefit payments (unemployment, illness, maternity) to previous levels of earnings, at least for an initial period.

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<sup>16</sup> <https://www.citizensinformation.ie/en/social-welfare/irish-social-welfare-system/claiming-a-social-welfare-payment/claiming-two-social-welfare-payments/>

<sup>17</sup> Kakoulidou, T., Doolan, M., & B. Roantree (2022) Earnings-Related Benefits in Ireland: Rationale, Costs, and Work Incentives. ESRI Budget Perspectives Paper 2 2023.

<sup>18</sup> In previous CIB Pre-Budget Submissions, and in submission to the DSP: A Strawman Public Consultation Process for a Pay-Related Jobseeker's Benefit Scheme in Ireland. Submission by the Citizens Information Board (February 2023)

Such an approach not only incorporates the social insurance contributory principle but, also, in the case of unexpected unemployment or sudden illness, provides a means of enabling people to manage their living situation more effectively in the short-term. CIB welcomes the Minister's proposals to introduce a **pay related benefit** in the autumn, which could see provision of 60% of a person's income each week if they lose their job, up to a maximum cap of €450 per week<sup>19</sup>.

CIB at the same time, stressed that revision of pay related benefits must be viewed in a wider context that includes **the integration of a range of policies and provisions aimed at supporting low-income families and individuals** – including childcare provision, housing supports, education and training, pathways to employment, as well as income maintenance. For many CIS clients, the operation of the social welfare system is experienced as a system that makes it difficult for them to combine income from - part-time, casual or low- income work - and social welfare payments. Such a combination may be the only realistic option available for them because of, for example, childcare responsibilities and a reliance on low-paid part-time work. In this regard, CIB highlighted the importance of not excluding the self-employed as well as part-time and casual workers from the proposed new pay related benefits measures.

### Combining Part-time Work and Social Welfare Payments

There continues to be feedback from services of financial difficulties for clients who are combining part-time work and social welfare payments. CIB's PBS 2023 highlighted the situation for those working part-time with hours of work spread across five days, and their non-eligibility to a partial jobseekers payment. The '*four in seven rule*' where a person must be unemployed for four consecutive days in seven, was recently highlighted by the ESRI with the recognition that this creates a cliff edge for those currently working three days per week as any increase in hours, over these days, whatever the number, leads to cancellation of their jobseekers payment<sup>20</sup>. Abolishing the *four-in-seven rule* has been recommended, allowing rules similar to the Jobseeker's Transitional payment to apply for this cohort, i.e. allowing recipients to get a partial rate even if working more than three days a week. CIB has also previously proposed changing eligibility for jobseeker's payments to criteria based on hours worked rather than the number of days worked, to better support part-time and casual working patterns, relevant in particular to jobs such as cleaning, caring roles etc.<sup>21</sup>

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<sup>19</sup> Workers who lose jobs to receive weekly payments of up to €450. Irish Examiner, Monday, 17<sup>th</sup> July 2023. CIB (2023) Strawman Proposal on Pay-Related Jobseeker's Benefit Scheme, <https://www.citizensinformationboard.ie/en/publications/submissions/>

<sup>20</sup> Doolan, M. & C. Keane (2023) Cliff Edges in the Irish Tax-Benefit System. ESRI. Budget Perspectives 2024 Paper 1 June 2023

<sup>21</sup> Pre-Budget Submission 2019; Pre-Budget Submission 2018; [https://www.citizensinformationboard.ie/en/publications/social\\_policy/prebudget\\_submissions.html](https://www.citizensinformationboard.ie/en/publications/social_policy/prebudget_submissions.html)

Client is a healthcare assistant. Her hours can vary. She was available for whatever hours her employer could give her in a week. Sometimes she would work a full week. Other times it might be just an hour or two over the course of 5 days. In her line of work it's hard to predict the hours you will get. Her clients may die or go into hospital or a relative may take over their care. This can happen with multiple clients at once. This woman is a single mother and her child recently turned 14. She was in receipt of the Jobseeker's Transitional payment. She applied for the Working Family Payment but she wasn't given enough hours to qualify for the payment. She then applied for Jobseeker's Allowance and was told she didn't qualify because she worked 5 days a week. She asked her employer to reduce her days to 3 because she couldn't survive on the money she was making from work. The Intreo office refused her Jobseeker's application because they said she had voluntarily reduced her days and so was not genuinely seeking or available for full-time work. She can show that she is looking for other work and has sought a review of the decision on her Jobseeker's Allowance application. The requirement that people work no more than 3 days a week, regardless of what actual hours they are working, doesn't seem appropriate for the types of shift work people may be offered these days.

### 'Qualified' Adults

It is important to ensure that adequate secondary benefits, income disregards and/or responsive in-work supports are in place, if **'qualified' adults** are to be encouraged to increase participation in the labour market as part of social welfare individualisation. CIB welcomes the expansion of eligibility to Community Employment schemes for qualified adults, where adult dependants of those in receipt of a CE qualifying Jobseeker's Allowance Payment will qualify in their own right for the first time - CIB had recommended similar provisions in previous submissions.<sup>22</sup>

A specific issue raised by services was in relation to the means assessment of 'qualified adults' on partner's DA payment, who wish to take up work on a self-employed basis, and who are not able to avail of a similar disregard as PAYE workers.

PAYE workers can avail of a disregard. Caller is a qualified adult on spouse's DA claim - has the opportunity to earn €5,000 in 10 instalments of €500 per week - however this is being offered on a self-employed contractor basis - if self-employed contractor, they will lose DA. If she was taken on as a PAYE employee, disregards would be applied and they would retain an amount of DA. Self-employed income should be assessed in the same way as PAYE income.

Concerns were raised by services about the means assessment on the 'qualified adult' payment where the spouse is in receipt of the State Pension (Contributory). This affected older people who may have been unaware of this means assessment, and who may have managed to save small amounts over the years, or who inherited some money, and were now impacted through a much reduced 'qualified adult' payment, or removal of it, or who may even find themselves liable for a potential overpayment. This is relevant as this cohort of 'qualified adults' are mainly women and may not have been able to access a social welfare payment in their own right in the past. In this regard, the Minister for Social Protection has said that the means test in relation to qualified adults and in relation to money held in joint accounts is an issue that is being examined.

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<sup>22</sup> <https://www.gov.ie/en/press-release/ec31c-minister-humphreys-and-minister-obrien-announce-new-measures-to-support-community-employment-schemes-nationwide/>



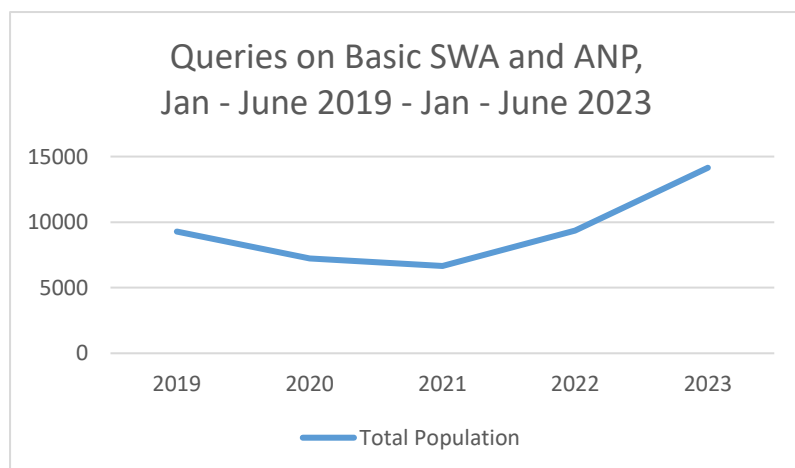
Some clients are unaware that IQAs on social insurance payments are means tested. When property is sold off and the capital banked the DSP often go un-notified and a debt builds up for repayment. Older people seem particularly vulnerable to this.

Caller very distressed. Received a letter from the DSP looking for documentation to show earnings and assets of spouse. He is 82 years of age and on the State Pension Contributory, claiming for his spouse who is age 80. He did not know that his dependent spouse is means tested. He feels that he would have answered honestly on application but is hugely concerned over any potential overpayment. The DSP has not done a review since he turned 66, over 16 years ago.

Caller inherited money from a house. He put it into the joint account. This now means that his wife's QA payment will reduce by approx. €130 per week as a result. Client's wife worked part-time over the years and they are going to apply for her PRSI record and bring it into me to calculate. She may be entitled to a reduced State Pension in her own right. Client is happy with this approach. Caller's wife is a QA on his pension.

The **Additional Needs Payment (ANP)** – can provide help for individuals on low incomes or on social welfare who are unable to meet their energy and other costs – CISs had over 8,000 related queries in 2022, compared to 4,855 queries for the Exceptional Needs/Urgent Needs payment in 2021, an increase of 68%.<sup>23</sup> Queries on Basic Supplementary Welfare Allowance (SWA) and ANPs have been rising over the past number of years - a 30% increase between 2019 and 2022. This indicates a degree of inadequacy in existing social welfare protection (including Fuel Allowance) for those availing of supplementary welfare payments.

Services reported that they are seeing families looking for advice and support in addressing general cost of living rises across the household budget, from fuel costs, to utilities to food and education costs. Information providers are referring clients for exceptional needs, however, in addition to the referral they are also having to spend time encouraging clients to avail of these payments. Many clients have never had to avail of ANPs and services have noted the stigma some clients experience in having to do so.



<sup>23</sup> Additional Needs Payment replaced the Exceptional Needs/Urgent Needs Payment.

## Cost of Living Payments

Our services provided feedback on the non-payment of a €200 cost of living bonus to qualified adults earlier this year. This was considered to be unfair, particularly, for households with qualified adults of Disability Allowance, or illness payments.

## In-Work Supports

In relation to in-work supports, services also pointed to the difficulties for low income self-employed households who are not eligible for the **Working Family Payment (WFP)** as well as difficulties for lone parents who move from the One Parent Family Payment to the Jobseeker's Transitional Payment who can no longer claim the WFP. Loss of work hours also lead to the removal of the Working Family Payment for some clients.

## Welfare to Work Issues for People with Disabilities/Illness

This section explores the capacity of existing targeted measures to facilitate the employment of people with disabilities and illness. At the end of April 2023, according to Department of Social Protection statistics, there were 15,687 Disability Allowance recipients who were in insurable employment or self-employed and availing of the DA income disregard, a 9% increase from April 2022.<sup>24</sup> Budget 2023 included increased earnings disregards (€25 per week) for both the Disability Allowance and Blind Pension which was an important measure.

Fear of **losing secondary benefits** or the perception of losing benefits continues to influence decisions about taking up work for those with a disability. The importance of keeping the DA payment, as well as secondary benefits can be fully appreciated when we see that a person who earns over €490 per week,<sup>25</sup> which is an annual salary of over €25,480, (gross earnings excluding PRSI, pension contributions and union dues) will no longer be eligible to receive the DA payment. This is a low level particularly given the current costs of living, the costs of disability, and where average weekly earnings were €900.26 in Q4, 2022<sup>26</sup>. Of note as well here is the fact that the medical card earnings disregard for people in receipt of Disability Allowance was substantially increased in 2018 (from €120 to €427 per week), so that loss of this vital support will not occur until annual earnings reach €22,204, (and after three years in employment). As well as the need to align these thresholds at the highest level, there is also an argument - in support of increasing employment for people with disabilities - for disconnecting secondary benefits from other social protection schemes, and where a person has a medical need for a medical card, that card is provided irrespective of their income levels.

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<sup>24</sup> Figures supplied by the DSP - since the Make Work Pay report was published in 2017, approximately 6,500 people have taken up employment and signed off DA.

<sup>25</sup> The earnings disregard for DA recipients was increased in Budget 2023 by €25 (from January 2023), meaning that in an assessment of means, a person with a disability can earn up to €165 per week from work and not have their disability payment affected. After this amount, half of earnings between €165 and €375 are not taken into account in the Disability Allowance and Blind Pension means test. Meanwhile, all earnings from work over €375 are assessed as income and entitlement to Disability Allowance is reduced accordingly.

<sup>26</sup> <https://www.cso.ie/en/releasesandpublications/ep/p-elcg/earningsandlabourcostsq32022finalq42022preliminaryestimates/#:~:text=Key%20Findings,Q4%202021%20value%20of%2032.9.>

To enter and stay in employment, a person with a disability needs to be able to travel outside of the home in the same ways that a person who does not have a disability can. The **Mobility Allowance scheme**, which was closed to new applicants ten years ago in 2013, assisted people who could not use public transport, who are unable to walk and who would benefit from leaving their home surroundings.<sup>27</sup> One of the costs of disability is having to pay for expensive taxi journeys due to inadequate, infrequent, and inaccessible public transport. Providing a support similar to the Mobility Allowance scheme for people who need to travel to work, who cannot avail of public transport, or work remotely, would contribute to improving the employment options of people who have a disability. There are a number of advantages to having a direct cash payment to cover these transport costs, including the element of choice it provides as to how to deal with specific transport and mobility needs; it addresses one element of the 'cost of disability', and helps people to maximise participation in society through work, training, education or involvement in social and community activities<sup>28</sup>.

The Make Work Pay report noted it is a fundamental condition of qualifying for Illness Benefit and Invalidity Pension that the person is not working, with the intention being that a person can transfer from IB or IP after 6 months to **Partial Capacity Benefit (PCB)**, where they can receive a portion of their payment depending on the degree of their assessed capacity for work. At the end of April 2023, there were 3,012 people in receipt of PCB, little change from April 2022<sup>29</sup>. Citizens Information Services, meanwhile recorded over 2,000 queries on the PCB in 2022. It was reported as not having enough flexibility as a payment to support people in work. The rules require a person to be on Illness Benefit for 6 months to be eligible. A reduced timeframe would better facilitate those whose conditions are episodic in nature, and for people who have been recommended to return to work on a phased basis, e.g. someone with Long Covid-19.

Another aspect of this payment raised by services is the loss of income that occurs when a PCB claimant transitions from one employment to another. Other problems identified with the payment included insufficient information on *how capacity is measured* and reluctance to risk losing their existing payment if assessed as fully capable of working; loss or reduction of secondary benefits such as Fuel Allowance, or Household Benefits Package (means-tested after the first two years, and annually after that). In terms of **a welfare to work measure**, it is apparent that the Disability Allowance and the earnings disregard is an important in-work support for people with disabilities, and is a more reliable and accessible support than the Partial Capacity Benefit. In general, Partial Capacity Benefit as a support for people with disabilities to enter and remain in employment needs to significantly improve, and become more responsive to an individual's needs. Currently it is operating as a residual scheme in terms of take-up and impact.

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<sup>27</sup><https://www.citizensinformation.ie/en/travel-and-recreation/transport-and-disability/mobility-allowance/>

<sup>28</sup> CIB (2013) Review Group on Transport Needs of People with Disabilities Public Consultation Submission by the Citizens Information Board; CIB (2019) Research on the Cost of Disability, Submission to Indecon by the Citizens Information Board.

<https://www.citizensinformationboard.ie/en/publications/submissions/submissions2019.html>

<sup>29</sup> Figures supplied by the DSP.

## Childcare

Problems with a **lack of affordable and available childcare** continued to be recorded by services in their feedback, affecting women's labour market participation, including those wishing to return to work after maternity leave, as well as those who wanted to take up work. The National Childcare Subsidy scheme supports were experienced as inadequate. **Unaffordability** has been found to be the most commonly reported reason for unmet childcare<sup>30</sup>.

The client is a mother of a 9 month old. She would like to work full time but she cannot because she cannot find affordable childcare. Her family cannot survive on her husband's income only. She will not be entitled to Jobseeker's because she cannot present as being available for full time work, she is only entitled to WFP of €20. Lack of childcare is causing considerable financial difficulty for the family.

Caller facing decision to give up full-time employment as no childcare available in her area (Cork City Centre). Child is now 7 months old and she has been looking for childcare since she was four months pregnant. She says there is a two year waiting period in her area.

Client has three children. She is finishing maternity leave for her youngest. She says she cannot return to work as the cost of childcare for three children is too high, even with the National Childcare Scheme subsidies.

## Budget Priorities – Income supports

- Consider increasing *the maximum level of earnings disregard* of €375 to allow more people with disabilities keep their DA payment and secondary benefits for longer periods while in work to prevent people from working reduced hours, or leaving work entirely.
- Progress as a priority the *long-awaited Transport Support scheme* to assist people with disabilities access the community, including the workplace, ensuring that it is sufficient to cover the costs of work related travel in particular.
- Consider changing *the eligibility criteria which restrict applications* for PCB to those who have been on Invalidity Pension or Illness Benefit for a minimum of 6 months<sup>31</sup>
- Introduce an option *for the self-employed to increase PRSI contributions* to enable access to a full range of entitlements, in particular, Illness Benefit.
- Consider *linking Illness Benefit to previous earnings* to support income adequacy in periods of short-to medium term illness.
- Provide for a more positive and inclusive approach for the self-employed as well as part-time workers in the *new pay-related jobseeker's benefit payment*.
- Increase the *flexibility of jobseekers payments* by allowing recipients to receive a partial rate even if working more than three days a week through changing eligibility

<sup>30</sup> Grotti, R, Maître, B & D. Watson (2019) Technical Paper on Social inclusion and access to care services in Ireland. ESRI: DEASP

<sup>31</sup> Note this was also a recommendation from a CIB submission: Review of Partial Capacity Benefit - Submission by the Citizens Information Board to the Department of Social Protection (May 2015).  
<https://www.citizensinformationboard.ie/en/publications/submissions/submissions2015.html>

to criteria based on hours worked rather than the number of days worked to better support part-time and casual working patterns.<sup>32</sup>

- In the DSP's review of the means tests across different payments<sup>33</sup>, consider providing *flexibility in the means test for qualified adult payments* with respect to a primary payment of State Pension (Contributory), given that this cohort of 'qualified adults', mainly women may have not been able to access a social welfare payment in their own right in the past.
- Allow the partners of DA recipients wishing to take up self-employment to benefit from *a similar earnings disregard as available to employees*.
- Any cost of living measures in Budget 2024 should ensure that qualified adults, who number in the region of 78,000<sup>34</sup> are not excluded from a cost of living bonus payment.
- Consider *extending eligibility for the Working Family Payment* to low income self-employed people who fulfil all other qualifying criteria.
- Ensure that income thresholds, means test criteria, earnings disregards are changed accordingly to reflect increases in for example, the national minimum wage, adjustments in core social welfare rates, and earnings.
- Progressively establish the Minimum Essential Standard of Living as the benchmark for social welfare payments.
- *Extend eligibility for the Jobseeker's Transitional payment* until the youngest child reaches 18 years or completes second level education<sup>35</sup>.
- *Increase subsidies under the National Childcare Scheme* to make childcare more affordable, particularly for low-income families, and move towards publicly funded universal childcare.

## Energy Poverty

Data from the CISs show that Fuel Allowance queries in 2022, were almost 33,000, an increase of 131% on the previous year, and for the Household Benefits Package were over 19,000, up by 57% compared to 2021.

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<sup>32</sup> Pre-Budget 2022; Pre-Budget Submission 2019; Pre-Budget Submission 2018;

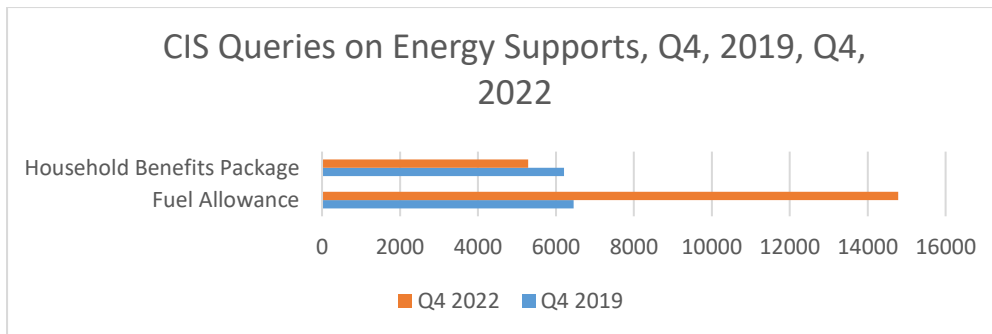
[https://www.citizensinformationboard.ie/en/publications/social\\_policy/prebudget\\_submissions.html](https://www.citizensinformationboard.ie/en/publications/social_policy/prebudget_submissions.html)

<sup>33</sup> Minister Heather Humphreys stated that there will be a review of the means tests across all schemes this year, Select Committee on Social Protection, Community and Rural Development and the Islands debate - Wednesday, 1 Feb 2023,

[https://www.oireachtas.ie/en/debates/debate/select\\_committee\\_on\\_social\\_protection\\_community\\_and\\_rural\\_development\\_and\\_the\\_islands/2023-02-01/3/](https://www.oireachtas.ie/en/debates/debate/select_committee_on_social_protection_community_and_rural_development_and_the_islands/2023-02-01/3/)

<sup>34</sup> DSP (2023) Statistical Information on Social Welfare Services Annual Report 2022, page 28.

<sup>35</sup> As recommended in CIB's PBS 2023, and in the Vincentian MESL Research Centre, & SVP (2023) Pre Budget 2024 Submission.



A rising risk of energy poverty has been identified, due to the base rate of income supports generally, and particularly energy related supports not being maintained relative to rising energy and minimum living costs<sup>36</sup>. In relation to consumer prices for energy, electricity prices were up in June 2023, compared to June 2022 by 34.7%, and by 47.3% for gas<sup>37</sup>. MABS highlights in this submission the unprecedented level and scope of utilities' arrears that they are seeing, with average arrears at around €600 -700 with some providers.

The increased eligibility for **Fuel Allowance** introduced in January 2023 was welcomed and provided supports for energy costs for many people in need. However, eligibility issues continued to be highlighted by services.<sup>38</sup> People in receipt of **Illness Benefit** are not eligible for Fuel Allowance as it is a short-term payment. This presented hardship challenges for clients who while within the means limit had difficulties meeting energy costs. While Illness Benefit is not a long-term payment, and the expectation is that the person will return to work, there is a need for a level of support for this cohort in the interim period.

Despite the expanded criteria, there continued to be eligibility issues raised for different households. The impact that **living with family members** can have on the eligibility of the household to fuel allowance was identified by services. Callers who were just **outside the income limits** for Fuel Allowance pointed out that the threshold for a couples household is double that for a single person household, given that it costs the same to heat a house for two people as it does for one person.

**Older people and people with disabilities have extra costs** in relation to heating their homes. In last year's Budget, the core weekly rate of Fuel Allowance was retained (€33) for a 28-week season. While the cost of living measures have assisted those on low incomes to meet energy bills, of importance is the fact that the real value of the Fuel Allowance has been reduced<sup>39</sup>.

Services reported that the FA season (Sept to April) is too short, impacting vulnerable clients due to age and disability when the payment ceases in April. Despite the government supports in 2023, **older people** particularly those on fixed incomes but not exclusively, were looking

<sup>36</sup> Vincentian MESL Research Centre's Annual Update 2023

<sup>37</sup> Consumer Price Index June 2023. <https://www.cso.ie/en/releasesandpublications/ep/p-cpi/consumerpriceindexjune2023/>

<sup>38</sup> Increase in income threshold to €200 above the State Pension (Cont) rate for people aged under 70; for people aged over 70, income thresholds increased to €500 per week for a single person, and €1000 per week for a couple; disregards for Disablement Benefit and half-rate Carer's Allowance in the means test.

<sup>39</sup> Vincentian MESL Research Centre, Pre-Budget 2024 Submission

for additional support with large heating bills. Those living on their own were struggling as they continued to heat and run homes on their own. Information Providers expressed concern that older people they have supported are choosing not to turn their heat on due to excessive heating bills.

The need for the eligibility criteria for the **Fuel Allowance** to be expanded was highlighted in last year's CIB's Pre-Budget Submission, in particular, there were issues with qualification being based on whether or not a person is in receipt of a qualifying payment, and it was pointed out that a paramount consideration should be affordability, and a person's level of means.

Client was eligible for Fuel Allowance while on long-term Jobseeker's Allowance of 15 months, but circumstances changed and the jobseeker had to take on a full-time caring role caring for elderly relative in a separate dwelling. The Fuel Allowance is not retained when transferring from JA to Carers Allowance and can only be paid if the person is on an actual qualifying main social welfare payment together with a half-rate Carers Allowance. The client still has the same household costs and bills to pay while caring, same as when job-seeking, but loses out on Fuel Allowance. There is an opportunity to supplement income as a jobseeker even with part-time work, but as a carer the option to take up part-time work may not be possible due to the care needs of caree.

Another example was a person on a HSE pension of €350 per week was not entitled to FA due to not being on a qualifying payment, despite being under the means income threshold.

Another issue in the feedback was the non-eligibility for Fuel Allowance as a bar to eligibility for the **Free Energy Upgrades**.

On the threshold of eligibility for the Fuel Allowance, e.g. recent widower aged 67 years, needing repairs including cavity wall insulation and roof repair, not eligible for the increased over 70s threshold, yet it costs the same to heat one's home if you are under 70 years or over 70. Not able to apply for the Warmer Homes Scheme as a result.

Man with chronic ill health is struggling to pay heating bills. He received IP and an illness pension from Intel, which puts him over the means threshold for FA. It means he is ineligible for the Warmer Homes scheme, which he wishes to avail of. Consider basing the FA on household income and not on the type of social welfare payment.

Problems were also noted relating to **Housing Grants**, including backlogs and waiting times for SEAI grants, e.g. 10 months for assessment, and 26 months to get work done, (possibly due to increased demand for grants, due to increased eligibility to Fuel Allowance) and affordability:

Clients' cost of repairs is €16,000, she only gets €8000 grant, needs to pay 5% and take a loan out which will cost a State pensioner €300 a month in repayments. Client will not be able to afford this. Water coming through her house.

## Budget Priorities – Energy Supports

- In recognition of low-income households, or social welfare dependent households, that do not qualify for the Fuel Allowance and are therefore not recognized as needing support, greater access to Fuel Allowance ensuring that it is assessed principally on household means rather than being in receipt of a qualifying payment.
- Consider eligibility for Illness Benefit recipients to Fuel Allowance based on means rather than being in receipt of a qualifying payment, and where a qualifying period of 6 to 8 weeks is required.
- Allow Working Family Payment and Care Allowance recipients eligibility to the Fuel Allowance payment.
- Consideration should be given to restoring the 32 weeks of payment to support households in need, particularly those comprising people with disabilities and older people.
- Target one adult households aged 65 or over, by restoring the real value of the Living Alone Increase.
- Expand eligibility to cover the specific living arrangements of Traveller families.<sup>40</sup> Specifically, there is a need to widen eligibility to Fuel Allowance among Traveller families who are officially sharing a bay (and thereby liable for rent). Traveller families living adjacent to the family home in a trailer and using the family home address to claim a social welfare payment should be allowed to claim FA.
- Expand eligibility for people in low income households that have a low BER rating currently not able to avail of the Free Energy Upgrades scheme (formerly the Better Energy Warmer Homes scheme)

## Administrative Issues – Public Services

In terms of **administration**, areas where public services have been reported as inadequate, and which exacerbate individuals' capacity to cope with financial hardship during cost of living and housing crises include:

- Long delays in processing of appeals through the Social Welfare Appeals Office, and in corresponding/contacting them.
- Problems getting through by phone to various department and public service offices. Administrative blockages such as these as well as misinformation are more of an issue these days due to the financial pressures clients are under.
- Difficulties for clients in domestic violence situations in providing proof of separation, whose ex-partners' means are taken into account in the means test for Supplementary Welfare Allowance.
- Older people having difficulties applying for FA online/digital literacy issues
- Challenges for callers in not being able to get through to the Community Welfare Service (CWS) centralised system, as well as lack of awareness of Supplementary

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<sup>40</sup> National Traveller MABS, 2019. Accommodating Ethnicity: Addressing Energy Poverty Among Travellers Living in Mobile Homes and Trailers



Welfare Allowance. Transport to community welfare offices in larger urban centres may not always be possible for those in rural areas, or with other specific needs. There is a need to ensure Community Welfare Services have sufficient resources to meet the extra needs of the public, due to the cost of living pressures.

## Health services

This section focuses on issues raised in relation to the Medical Card as well as on gaps in provision of primary care, and community care services. There were over 57,000 queries related to health matters in 2022, with 64% of these on the **Medical Card**, i.e. 36,438 queries to services; as well as over 3,000 queries related to GP services.

Recent policy developments include the extension of GP visit cards to children aged 6 and 7 in August, as well as the increase in the income limit for the GP visit card to include people on a median household income of €46,000 or less from April 2023. Notwithstanding these positive changes, the income limits for the medical card for the under 70s have not been increased for a number of years (since 2005) and this is impacting people particularly now with cost of living pressures. CIB has raised this issue in previous submissions, and it has been recognised that the rates are inconsistent with wage and price inflation<sup>41</sup>. There are however, a range of allowable expenses covering childcare, rent, and travel to work in the means test for the medical card, which can effectively raise the threshold at which people are covered. Services also identified the inequity of individuals whose entire income is from social welfare becoming automatically entitled to the medical card, whereas for those on comparable non-social welfare income, they will not be eligible.

The client has muscular dystrophy and has had to retire early. While he has applied for the Long-term Illness Scheme, this does not cover the costs of GP visits, Emergency Department visits or medications for problems that aren't directly attributable to muscular dystrophy. Moreover, the client and his partner are both under 66 and their combined means exceed the applicable threshold for both the Medical Card (€266.50) and the GP Visit Card (€441). In addition, the client does not have a prognosis of less than 2 years which would entitle him to a Medical Card on the basis of terminal illness. As such, the client is in a position where he has a progressive, degenerative neurological condition that may ultimately take his life, but has no automatic entitlement to a Medical or GP Visit Card, and thus will face costs for the GP/A&E etc. if the HSE do not exercise their discretion to give him one. This is causing the client much anxiety on top of that caused by his health.

Client is parenting alone and working full time. Issue is client's application for a medical card because client's income is over the threshold. Client was upset following the Information Officer's calculation of means test and said the HSE weekly income threshold is not realistic in today's financial climate.

This person with serious health issues is on a Widow's Contributory Pension and is a parent. She would like to return to work, but it would mean she would lose her medical card unlike those on JB, JA, OFP, and Invalidity Pension who can retain their medical card for 3 years if they return to work. This does not seem equitable.

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<sup>41</sup> ESRI (2023) Cliff Edges in the Irish Tax-Benefit System. Michael Doolan & Claire Keane. Budget Perspectives 2024 Paper 1 June 2023

Based on the info in the national assessment guidelines for the medical card, although persons in receipt of JA or JB or OFP for 12 months can retain their medical card for 3 years, a person on JST is not covered by the arrangement it seems. This is unfair and represents a gap in coverage.

The impact of income thresholds and the potential loss of the medical card was experienced by clients considering increasing their work hours, including One Parent Family payment recipients working part-time, as well as lone parents working full-time. A disincentive can still exist for different cohorts to take up/return to work due to the loss of the medical card after three years including for Disability Allowance recipients. Retention of the medical card for three years on taking up work for other social welfare claimants was also raised as an issue with respect to Widow's, Widower's, Surviving Civil Partner's Contributory Pension recipients, and Jobseeker's Transitional Payment recipients<sup>42</sup>.

If all of a person's income comes from social welfare payments, they will get a medical card even if their income is above the income threshold. Research has pointed to a work disincentive this creates where a person takes up employment and has the same level of income, or less, via net weekly earnings, compared to their social welfare benefits, they will lose the medical card where their net earnings are above the income limit<sup>43</sup>. It also creates an inequity where two individuals/families who have the same income level (one from earnings, one from social welfare) will have different eligibility to the medical card, if their income is above the income limit. It has also been recognised that the income limits for medical cards are not adjusted in line with price or wage inflation.

The extension of **the universal provision** of a GP Visit Card for children aged 6 and 7 years was announced as part of Budget 2023. Research has demonstrated that the progressive extension of free GP care to children in all age groups would contribute to lower MESL costs across all age groups. While universal provision is required to reduce health inequalities, services reported problems with **processing applications** for a medical card due to inability to access a GP. The HSE's system of assigning a GP where three GPs have refused the applicant was reported as not working effectively. Access to GPs is more difficult for migrants and new communities living in Ireland, as well as for individuals who move to a new area. The problems encountered in accessing GP services also has a knock-on impact for clients in trying to access social welfare payments, where payments such as Illness/Injury Benefit require a GP's medical report.

Client presented in need of medical attention but has no GP. Client came from Ukraine under temporary protection and has been assigned a medical card with no GP assigned. Client is unable to secure GP in the area and is also unable to secure written confirmation from doctors who are unable to add to their patient listing making it more difficult for the HSE to assign a doctor on the refusal of three doctors. It would be useful if in this case the HSE would consider assigning a GP to those in need of urgent medical attention without the written proof being provided.

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<sup>42</sup> HSE Medical Card and GP Visit Card National Assessment Guidelines, page 40.

<https://www.hse.ie/eng/staff/pcrs/medical-card-and-gp-visit-card-assessment-guidelines.pdf>

<sup>43</sup> ESRI (2023) Cliff Edges in the Irish Tax-Benefit System. Michael Doolan & Claire Keane. Budget Perspectives 2024 Paper 1 June 2023

Inequalities of **access to dental services** for medical card holders strongly featured in feedback from services. These were recorded for clients living across different counties, and impacted different groups including older people, migrants, who were social welfare dependent and unable to afford to pay privately for dental services.

Client contacted our CIC, she is in receipt of a full medical card. Client has tried a number of Dentists in the local area and none will accept the medical card for dental treatment. This is causing huge stress on clients with the cost of living crisis and not being able to access Dental services without the added cost of trying to find money to pay for these services. This Medical card / Dental service access needs to be looked at nationally and more resources found to put in to this service.

Client has medical card but cannot find a dentist who will take a medical card. She has tried all dentists in the area and they have all informed her that they are no longer taking part in the medical card scheme due to difficulties with the payment.

The **high costs of medicines** was evident in some feedback, with excessively high prescriptions costs being identified by a client seeking to apply for the Drugs Payment Scheme, who informed services that the cost of their three month prescription was €264 in their local area, but the same prescription cost just €47 across the border.

#### Accessing social care and community services

CISs recorded over 5,000 queries relating to adult care in the community in 2022, mainly in relation to the operation of the Nursing Home Support Scheme, as well as a lack of community supports, including home supports, Personal Assistance, respite services.

In May of this year there were 6,400 people approved for the home care service who were awaiting home care services<sup>44</sup>. Provision of services is complicated by workforce challenges and payment of an adequate wage, and in an effort to address some of the recruitment and retention challenges in homecare, the payment of a living wage for homecare workers was announced in July. Solutions have been identified including the introduction of personal budgets to provide choice for families, and allowing those on caring payments to work more hours.

The Programme for Government, Our Shared Future, committed to increasing homecare hours and introducing a Statutory Homecare Scheme. Commencement of the scheme is a priority, and the required funding needs to be provided to give effect to the implications of the Scheme, including an increase in the provision of home care supports, and the resources needed to address the capacity issues within the homecare sector.

People with disabilities and their families also experienced continuing problems in accessing services to support living in the community, including long delays in accessing home supports and respite services, inadequate Personal Assistant services, and lack of access to personalised budgets. Gaps in the CAMHS services were also reported for families with

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<sup>44</sup> <https://www.irishexaminer.com/news/arid-41046695.html>  
<https://www.irishtimes.com/health/2023/06/07/hse-asked-to-urgently-examine-ways-for-patients-on-waiting-lists-to-self-refer-for-private-treatment/>

adolescent children in need of mental health supports who experienced long delays in accessing this service.

NAS Advocates have noted that there are a growing number of people with severe Autism who are ending up “living” in psychiatric and hospital acute settings due to no available community settings. NAS recommends that funding streams are developed to provide more appropriate options and supports.

#### Budget Priorities – Health Entitlements, Social Care, and Disability Services

- Review income limits for the under 70s, and process for assessing means for Medical Card eligibility.
- Prioritise investment in primary care services including dental services to ensure basic access to health services for the population.
- Increase investment in community services including home supports, respite services, and the Personal Assistant service.
- Provide appropriate housing options with community supports to allow people with disabilities aged under 65 years move out of nursing homes; as well as targeting more appropriate housing/community options for those with severe Autism.

## Conclusion

It is clear that further investment is required in areas including housing, healthcare, social services and public transport, which are not at the required levels/standard to cater for the population. In 2022, the OECD noted that the share of people at risk of poverty or social exclusion decreased over the previous decade but that concerns remained in relation to the availability of social services for disadvantaged groups, including people with disabilities, homeless people, single parent and low work intensity households.

Increasing the availability of housing, improving our health, and social care service, cutting waiting lists, meeting environmental goals, and improving many other public services is clearly needed, and should be prioritised. It is hoped that the government’s objective to fund measures that protect the most vulnerable in our society and to finance further enhancements to our public services and infrastructure continues to be reflected in this year’s Budget<sup>45</sup>.

CIB is grateful to our frontline services, CISs, CIPs, MABS and NAS for their data recording and emphasis on the priority issues that callers and clients were presenting with over the past year. This data provides a valuable evidence base contributing to identifying Budget priorities and policy change.

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<sup>45</sup> Government of Ireland (2023) Summer Economic Statement July 2023. Department of Finance, and the Department of Public Expenditure, NDP Delivery and Reform.

## MABS Priorities - Housing, Cost of Living Pressures and Financial Inclusion

### About MABS

Established in 1992, the Money Advice and Budgeting Service (MABS) helps people to cope with personal debt and take control of their own financial wellbeing. It operates from over sixty offices nationwide and is funded and supported by the Citizens Information Board. There are 10 Companies in the MABS network – 8 Regional Service Delivery Companies (North Dublin MABS, Dublin South MABS, North Connacht & Ulster MABS, North Leinster MABS, North Munster MABS, South Connacht MABS, South Leinster MABS and South Munster MABS), National Traveller MABS and MABS Support CLG. MABS Support CLG is dedicated to the provision of supports to the regional staff in the MABS network and providing specialist expertise on a range of areas including learning and professional development, training, case management and technical support, social policy and research, money management education and financial inclusion. MABS Support CLG and the MABS National Helpline, with the support of the service delivery companies, administer 'Hardship Funds' with leading utility providers, which have been in operation since March 2021.

### MABS Recommendations for Budget 2024

At MABS, we do not only provide assistance to those people who face unmanageable levels of debt in the present, but we also support those persons who are, for whatever reason, on the path towards situations of over-indebtedness. We are committed to working towards the 'elimination of over-indebtedness' in Irish society, and our remit includes undertaking preventative measures to realise this objective, such as providing a specialised model of money advice, debt negotiation with creditors, helping clients build budgeting skills as well as broader outreach in the areas of money management education and financial inclusion.

Today, the dramatic rise in the cost of living, related to household energy costs and mortgage interest rate increases, is bringing an increased number of people to our doors at MABS. These clients are coming to us simply to find a way to pay their bills and cover everyday expenses, never mind be in a position to service debts.

The recommendations set forth in this submission are the result of workshops with Money Advisers, Dedicated Mortgage Advisers (DMAs) and MABS personnel from around the country. This submission reflects what MABS front line and support staff are experiencing now in their work with clients. MABS supports the pre-budget recommendations from our colleagues at National Traveller MABS and our funders Citizens Information Board, as well as

expert analysis from stakeholders St Vincent de Paul,<sup>46</sup> Disability Federation of Ireland (DFI),<sup>47</sup> European Anti-Poverty Network,<sup>48</sup> and Social Justice Ireland.<sup>49</sup> It is essential that Budget 2024 allocate significant resources to supporting those who are low-income, reliant on social transfers and living in and at risk of poverty. All budgetary decisions should be poverty, gender, and equality proofed to assess the impact that they will have on poverty rates and at-risk groups.

In this submission, our recommendations are structured into three main thematic areas: (1) housing, (2) cost of living and household burdens, and (3) financial inclusion. It is important to note that several of our recommendations require little to no direct funding from the exchequer, but rather require policy review and change.

## Thematic Area: Housing

### Recommendation: Targeted supports for those struggling with mortgage interest rate increases

On 15 June 2023, the European Central Bank announced its eighth successive increase to mortgage interest rates, with its base deposit rate reaching 3.5%, while its main lending rate has risen to 4%.<sup>50</sup> This is the highest rate in over 20 years. On the 19 June, AIB Group (including AIB, EBS and Haven), in response to the ECB, announced interest rate increases up to 0.7% for new fixed rates, and 0.65 for variable rates.<sup>51</sup> In MABS, we see the direct and indirect impact of these rate increases, with clients having difficulty meeting their mortgage payments consistently as they fall due. This is particularly difficult for those who are in, or recently completed, insolvency arrangements. As a result, these clients are unable to meet other essential household costs (such as food and utilities). We propose the (re)introduction of targeted measures to help alleviate this burden, including appropriate tax measures (such as the mortgage interest relief) and/or social welfare measures (such as mortgage interest supplement).

In May 2023, the Minister for Finance announced<sup>52</sup> his interest in the development of a regulatory framework that would support borrowers in the mortgage switching process. In his comments, he said the following:

‘It is a priority for me to ensure that the regulatory framework supports borrowers in the mortgage switching process. In the context of the review of the Consumer Protection Code, I have indicated that the Central Bank should review the existing

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<sup>46</sup> [Final-PBS-2024.pdf \(svp.ie\)](#)

<sup>47</sup> [Pre-Budget Submission](#)

<sup>48</sup> [EAPN Ireland Pre-Budget Submission 2024 - EAPN Ireland](#)

<sup>49</sup> [Budget Choices 2024 | Social Justice Ireland](#)

<sup>50</sup> [ECB Interest Rates | Central Bank of Ireland](#)

<sup>51</sup> [Huge hike in mortgage rates for AIB, EBS and Haven borrowers \(msn.com\)](#)

<sup>52</sup> [Financial Services – Wednesday, 17 May 2023 – Parliamentary Questions \(33rd Dáil\) – Houses of the Oireachtas](#)

regulatory provisions and consider whether more dedicated mortgage switching resources, such as a standalone mortgage switching code, could better encourage and facilitate switching in the mortgage market.’

We fully endorse this development and the research involved. We would go further as to advocate for reintroducing and placing on a statutory (versus voluntary) footing the Code of Practice on the Transfer of Mortgages<sup>53</sup> by the Central Bank of Ireland. Before it was revoked, this code required borrowers to provide consent to their mortgages being transferred, and the lender was required to provide a statement containing sufficient information to enable the borrower to make an informed decision.

#### Recommendation: Overhaul of the HAP (Housing Assistance Payment) scheme

Due to the increasing pervasiveness of HAP-related issues in MABS casework, MABS strongly recommends a comprehensive review and overhaul of the HAP Scheme and increased interventions that adequately address Ireland’s social housing needs. The fundamental challenge with HAP, from a MABS perspective, is that it is a quasi-private-public system, and HAP tenants do not have the same rights and protections as those in social housing (in particular when arrears accrue).

HAP tenants are considered ‘socially housed’ according to government figures, yet the vast majority do not have security of tenure or tenancies of unlimited duration. If they fall into arrears, they are not provided with the same level of flexibility, or even sustainable repayment options, as actual social housing tenants. The local authority stops paying the private property owner HAP allowances and they are at risk of eviction and homelessness. As highlighted in previous CIB pre-budget submissions and social policy reports<sup>54</sup>, Citizen Information Services and MABS Advisers have been addressing issues around HAP and their clients for a number of years. We would support the movement of those in receipt of rent supplements into proper social housing in a timely manner. We would also support the strengthening of the rights of all private tenants across Ireland, including those on HAP, and in particular those who are most vulnerable.<sup>55</sup>

#### Recommendation: Assessment of social housing arrears and national solutions

MABS is concerned by reports that inflationary pressures are having a direct impact on rising rent arrears for social housing tenants, with debt levels reaching nearly 105 million<sup>56</sup> in September 2022. MABS recommends a systemic investigation into the scope of social housing

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<sup>53</sup> <https://www.oireachtas.ie/en/debates/question/2019-02-28/31/>

<sup>54</sup> [Renting and Risk: An Analysis of the Vulnerabilities of Renting \(Citizens Information Board and Threshold, 2022\)](#).

[Housing Assistance Payment: The Experiences of Citizens Information Services, 2017](#)

<sup>55</sup> [Focus Ireland calls for more rights for vulnerable tenants at Oireachtas Committee on Housing -- Focus Ireland; Threat of eviction is biggest worry for renters, research finds \(breakingnews.ie\)](#)

<sup>56</sup> [Local authorities owed €105m in unpaid rent – The Irish Times](#)

arrears on a national level, and a coordinated approach to targeted solutions for individuals (including insolvency options) and Local Authorities.

**Recommendation: Inflation-proofing policies related to mortgage debt and consumer protection**

MABS advocates that existing resolution mechanisms and important policies as they relate to mortgage debt and consumer protections (including social welfare supports – we expand on this later on in this submission) should be ‘inflation-proofed’ and indexed to protect against the impact of inflation.<sup>57</sup> These include the Code of Conduct on Mortgage Arrears (CCMA), mortgage restructuring and repayments, and insolvency supports. One possible way to implement such a mechanism would be to add an additional buffer into mortgage restructures and payment plans to account for inflation. Similar to an interest rate stress test, ‘an inflation stress test’ should be developed. For example, where a client with a mortgage has affordability for a repayment of €1,000 per month, the repayment could be set at €917 (or in line with inflation levels) to allow for the rising cost of living. Lenders are not in the practice of allowing a buffer when it comes to restructuring loans, although they do so at draw down.

In addition, we argue that financial institutions need to take a more progressive, longer-term view of mortgage arrears themselves. This would involve working closely for sustained periods with people who fall into difficulty due to circumstances outside their control, rather than resorting to legal proceedings for repossession in those cases. Such a mechanism would address situations where the shock to a household situation is short to medium term in nature. Such interventions would require a review and strengthening of the CCMA itself. For instance, we recommend that all lenders should be obliged to offer all solutions under the CCMA rather than only a select few of their own choosing. This would result, in our view, in more resolutions in mortgage arrears cases at much more expedient rates, and also lead to greater engagement from distressed borrowers in the first instance.

**Recommendation: Long-term, strategic approaches to addressing the housing crisis**

The Irish State is experiencing an unprecedented housing crisis – with Taoiseach Leo Varadkar<sup>58</sup> revealing in March that there is a need for an additional 250,000 homes to address the crisis. MABS services experience the real-time impact of the housing crisis on individuals and families, many of whom approach MABS with unmanageable housing costs, struggling with HAP payments and/or at risk of homelessness. Our front-line staff increasingly face immense challenges trying to support clients who are affected by the limited affordable housing options in the private rental sector and the lack of available and accessible long-term social housing. We support the State’s efforts to develop and deliver on multifaceted

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<sup>57</sup> We provide additional information on indexation of taxation and social welfare supports, including reference to the Budgetary Oversight Committee’s July 2022 report, later on in this submission.

<sup>58</sup> [Varadkar reveals deficit of 250,000 homes in State, admitting crisis will take time to solve – The Irish Times](#)



solutions (including grant programmes and tax penalties to promote the refurbishment and public ownership of vacant and derelict homes)<sup>59</sup> to address this crisis in the short-term and long-term systemic plans to buffer against future crises.

#### Recommendation: Addressing the limited insolvency options for persons with mica blocks in their homes

MABS Advisers, in particular in North Connacht and Ulster, face an immense challenge supporting clients with mica in their homes. The presence of mica in a property affects the value of the home, and in most cases, it leaves the property worth only site value, or even less, as the site may have to be cleared before building works can commence. This reduction in the value of the secured asset may make both borrowers and lenders reluctant to engage in long-term mortgage solutions. While we welcome the recent launching and expansion of the provisions under the Mica Redress Schemes,<sup>60</sup> we also recognise there are still challenges that need to be addressed.

For instance, clients with mica cannot avail of the MTR (Mortgage to Rent) process until the mica remediation works have been completed. This is because the new purchaser (i.e., the lender to whom the property is surrendered and/or the purchasing Approved Housing Body) cannot avail of the Redress Scheme. It is our experience that Approved Housing Bodies are unwilling to undertake the necessary works from their own funds, even if the property is purchased at site value. In addition, if the property has mica, an accurate valuation of the property can be difficult to ascertain. Subsequently a Personal Insolvency Arrangement (PIA) may be fraught with difficulties until the remedial works are conducted and an accurate valuation can be achieved. We propose that it is therefore vital to open a dialogue between state officials, financial institutions, ourselves, and other consumer protection organisations, to develop ways to support and develop possible long-term insolvency solutions for clients in mortgage arrears and with mica in their homes.

## Thematic Area: Cost of living and household pressures

#### Recommendation: Targeted supports to combat home energy arrears

In relation to the scale of MABS clients approaching the MABS service in recent months with utilities arrears (in particular with gas and electricity providers), MABS has made two key national policy submissions on the issue of energy poverty, to both the British-Irish Inquiry on Energy Poverty<sup>61</sup> and the Department of Environment's Energy Poverty Strategy Review<sup>62</sup>. We also consistently make a number of targeted recommendations to the Commission on the Regulation of Utilities (CRU) as a member of their stakeholder engagement group.

<sup>59</sup> For more on this, see tax and housing recommendations made by SJI: [Budget Choices 2024 - Final.pdf \(socialjustice.ie\)](#)

<sup>60</sup> [Schemes for houses affected by pyrite or mica \(citizensinformation.ie\)](#)

<sup>61</sup> [MABS Submission to BIPA Inquiry on Energy Poverty \(January 2023\)](#)

<sup>62</sup> [MABS Submission to the 2022 Energy Poverty Strategy Review \(September 2022\)](#)

Cumulatively, from March 2020 to March 2023, home energy costs increased by 117.1% for urban-based households and by 75.8% for rural based households.<sup>63</sup> MABS has always supported clients with utilities debt, and this is considered a priority debt in MABS casework. In the past 6 months alone, MABS clients with gas and electricity arrears have received nearly €1.5 million in direct aid from five major energy providers as part of the MABS negotiated drawdown from Hardship Funds. The level and scope of the arrears that we are seeing at MABS is unprecedented – average arrears are around €600-700 with some providers, with balances going as high as €8,000. Clients are approaching MABS simply unable to deal with the mounting arrears, let alone cover the cost of their current usage. This is particularly true for gas customers, many of whom did not receive any allowance/support in 2022-2023 (as the universal public credit schemes were targeted at electricity customers only).

At MABS, we can see how these funds have had truly life-changing impacts on clients who are struggling to pay their utility bills. The Hardship Funds also help bring people into the holistic service MABS provides, and access continual support in terms of budgeting, money management and maximising income. They outline a clear example of the ways the industry in Ireland has provided direct support to consumers. However, it is important to note that the support for these funds is not government-backed, not universally subscribed to by all providers, and rely solely on the goodwill of utility providers to support their customers, oftentimes through a re-distribution of profit. These funds also provide a short-term solution to a broader, systemic problem, and the duration of these funds, and their ability to support customers in need in the long-term, is yet to be fully known.

In Budget 2024, we recommend the allocation of universal supports (similar to the universal electricity credits), as well as the expansion of targeted supports (such as the Fuel Allowance) for those who are on low incomes and/or social welfare.

#### Recommendation: Targeted supports for customers on Pre-Pay Gas metres

MABS has an on-going concern for those on PAYG (Pay-As-You-Go) products for gas and/or electricity, who ‘self-disconnect’ or ration their energy usage significantly over the winter months. These customers experience the high cost of energy in real time, and do not receive the full benefits of the consumer protection measures when compared with bill pay customers. For example, they do not have the benefit of the moratorium on disconnections, and they cannot defer debt repayments if facing situations of arrears. If they do not have a Financial Hardship Meter, they are often on higher energy tariffs than many bill-pay customers. We have met with representatives from the Department of Environment, Climate

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<sup>63</sup> MESL Annual Update 2023, Vincentian Research Centre, SVP [budgeting.ie/download/pdf/mesl\\_2023\\_-\\_annual\\_update\\_report.pdf](https://budgeting.ie/download/pdf/mesl_2023_-_annual_update_report.pdf)

and Communication (DECC) to flag this issue, in addition to making specific recommendations to the CRU.<sup>64</sup>

MABS welcomed the suspension of the €200 meter exchange fee for PAYG customers. We note from the latest CRU report<sup>65</sup> that, between October 2022 and March 2023, GNI reported 3,753 prepay customers exchanged their prepay meter to switch back to credit. This high statistic reflects our concern at MABS that many customers are facing difficulties and even regular self-disconnection because of the high unit tariffs coupled with the associated prepay meter charges. During the winter months, MABS experienced an increase in the number of clients with prepay meters who sought an emergency payment from supplier Hardship Funds. These clients were without power or at risk of imminent self-disconnection. It is important to note that the assistance available to gas prepay customer under the supplier Hardship Fund models that MABS administers is limited. For instance, where assistance is available, the customer can only apply for it once.

Although MABS welcomed the reduced debt repayment ratios on prepay meters,<sup>66</sup> many customers had to avail of the emergency credit facility on their meter and as such had to repay that debt out of future top-ups. As we are aware, the use of the emergency credit feature devalues future top-ups to the meter.

We recommend that suppliers continually monitor their prepay customers with a view to trying to identify customers at risk of self-disconnection and to provide further data and insight into levels of self-disconnection amongst residential customers. We also recommend that all consumers who have registered as vulnerable with Gas Networks Ireland (GNI) be prioritised for smart meter installation. This would facilitate remote top-ups for emergency cases.

#### Recommendation: Benchmarking social welfare against inflation

MABS supports the recommendations made in June 2023 by St Vincent de Paul and the Vincentian MESL (Minimum Essential Standard Living) Research Centre<sup>67</sup> regarding increasing core social welfare rates to retain their purchasing power in response to inflationary pressures. In addition, adequate social welfare increases in Budget 2024 must be part of a broader strategy to benchmark our social welfare system to an adequate level and allow people to live with dignity. We further reference and endorse the findings of the July 2022 Committee on Budgetary Oversight Report on Indexation of the Taxation and Social

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<sup>64</sup> For instance, in our May 2023 submission to the CRU, we made 15 core recommendations. These included the continuation of the extension on disconnections in Winter 2023/2024; further information and regulation for suppliers on how to support customers post-disconnection (in relation to fee charges, etc.); further clarification.

<sup>65</sup> [Customer Care Team Annual Reports | CRU.ie](#)

<sup>66</sup> [CRU Announces Suite of New Enhanced Customer Protection Measures for Coming Winter | CRU.ie](#)

<sup>67</sup> [Minimum Essential Standard of Living has increased for urban and rural households - Society of St. Vincent de Paul \(syp.ie\)](#)

Protection System<sup>68</sup> and the series of recommendations outlined. One such recommendation includes ‘the establishment of an indexation system has potential for improved transparency around the process of identifying and setting the annual increases to welfare rates and other parameters selected for indexation.’<sup>69</sup>

## Thematic Area: Financial inclusion

### Recommendation: Review and Evaluation of the Household Budget Scheme

The Household Budget Scheme, administered by An Post, is a very important resource for MABS clients. It helps people on lower incomes to manage their money and pay their basic expenses. The Scheme continues to be a key tool of financial inclusion for many Irish households and for the MABS client group, enabling routine making of payments via direct deduction at source from social welfare payments. However, and as highlighted in previous pre-budget submissions, the Scheme should be reviewed with a view to broadening access and facilitating the making of payments to a greater number of creditors (including additional utilities providers).

In addition, the Scheme is only available for those who receive social welfare payments in cash from their local post office and is not available to those who receive this directly into their bank accounts. This serves as a massive administrative barrier for access to a government scheme. We argue this further promotes banking and financial exclusion for particularly marginalised groups. We recommend that An Post complement the Scheme by offering Basic Bank accounts.<sup>70</sup> This would enable both the payment of social welfare into these accounts and the introduction of digital services to a cohort of consumers still dependent on cash and cash transfers. It also has the potential to help modernise/expand/diversify the Household Budget Scheme. We support a prompt review of the Household Budget Scheme in light of these challenges and our suggested solutions.

### Recommendation: Development of socially backed vehicles for low-cost credit

Due to the increase in cost-of-living pressures, MABS Advisers are reporting anecdotally that they are seeing a rise in clients approaching MABS who have debts with illegal unregistered moneylenders. These are extremely expensive forms of credit, and MABS has limited capacity to support clients with these types of debt. The prevalence of such lenders is symptomatic, in our view, of the lack of alternative, low-cost lending options for at-risk and low-income groups. One current option, such as the ‘It Makes Sense’ Personal Micro-Credit Loans (PMC)<sup>71</sup>

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<sup>68</sup> [Oireachtas Select Committee for Budgetary Oversight - Report on Indexation of the Taxation and Social Protection System - July 2022](#)

<sup>69</sup> [Committee on Budgetary Oversight has published the Report on Indexation of the Taxation and Social Protection System – 14 Jul 2022, 13:34 – Houses of the Oireachtas](#)

<sup>70</sup> For more on basic bank accounts, or no/low fee banking options, see: [IBCB Basic Bank Account Guide - Irish Banking Culture Board](#)

<sup>71</sup> [The 'It Makes Sense' Loan Scheme - The Irish League of Credit Unions](#)

distributed by credit unions, while they have been a lifeline for some, have been minimally effective, as these policy interventions rely entirely on the administration of one sole financial institution. We would support the rollout of a widespread, state-sponsored affordable credit scheme, with repayment options linked to affordable deductions from tax credits or social welfare.

#### Recommendation: Development of 'Help to Save' initiative

Surveys<sup>72</sup> have consistently shown that a substantial section of the population have low levels of savings (in particular long-term savings and retirement) and low financial resilience to withstand negative financial shocks. At MABS, we see the impact that having little savings has on all households – in particular in recent months. We would support the introduction of a savings incentive scheme, similar to the 'Help to Save' initiative in the UK,<sup>73</sup> targeted at those who are low-income and reliant on social welfare.<sup>74</sup> The Government could be the lead partner in this with the banks, credit unions and An Post. Also, the CCPC 'nudge and boost' strategy<sup>75</sup> should be encouraged by the government and used as part of this initiative. This strategy reflects an understanding that certain savings application forms with 'pledge tools,' infographics and interactive calculators can support consumers in developing positive short-term savings habits.

#### Recommendation: Development of a national financial education strategy

On 6 July 2023, the Competition and Consumer Protection Commission (CCPC) launched the 'Financial Wellbeing in Ireland: Financial literacy and inclusion in 2023'<sup>76</sup> report. This is a first in a series of reports on financial wellbeing in Ireland. Drawing on 1,505 interviews with a representative sample of the Irish population, this report presents an overview of Irish financial knowledge, attitudes, and behaviour, from budgeting to borrowing. At the launch event, the Minister for Finance announced<sup>77</sup> that the Department of Finance will lead the development of a national strategy on financial literacy for Ireland.

MABS fully endorses the development of a national financial literacy strategy. In January 2023, MABS made a submission to the Department of Education and the Department of Children, Equality, Disability, Integration and Youth's 'Literacy, Numeracy and Digital Literacy Strategy Consultation'. We recognise the references to 'financial literacy,' including 'functional' activities such as budgeting and online banking, in the 10-year Adult Literacy for

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<sup>72</sup> For example, see CCPC 2018 Research: [CCPC publishes financial well-being research - CCPC Business](#)

<sup>73</sup> [Get help with savings if you're on a low income \(Help to Save\): How it works - GOV.UK \(www.gov.uk\)](#)

<sup>74</sup> This reflects recommendations we made in our submission to the Department of Finance's Retail Banking Review in July 2022, please see here: <https://mabs.ie/wp-content/uploads/2022/09/MABS-Submission-to-Retail-Banking-Review.pdf>

<sup>75</sup> For more on this, see: [CCPC recommends shock tactics to boost savings \(businessplus.ie\)](#)

<sup>76</sup> <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2023/07/2023.07.05-CCPC-Financial-Wellbeing-Report-2023.pdf>

<sup>77</sup> <https://www.gov.ie/en/speech/85b3d-minister-mcgrath-speech-at-the-ccpc-launch-of-report-on-financial-well-being-in-ireland-financial-literacy-and-inclusion-in-2023/>

Life Strategy<sup>78</sup> adopted in July 2021. We would argue that the public resourcing of financial literacy and digital literacy from early childhood into adulthood is necessary to ensure that everyone, in particular members of marginalised and economically disadvantaged groups, across all of Irish society learn the necessary financial skills, knowledge and behaviours to participate fully in society.

We therefore make the following core recommendations in the development in a national financial literacy strategy:

- The Strategy include provisions towards the expansion of Irish primary and secondary education to feature compulsory subjects in financial education.
- The Strategy should support the allocation of specific resources to support the implementation of the joint EU/OECD Financial Competency Framework for Adults in the European Union,<sup>79</sup> as well as the forthcoming Framework for Young People (expected in 2023).<sup>80</sup>

## Conclusion

To conclude, MABS has a number of recommendations where the Irish Government should direct public resources in the 2024 Budget. However, as we highlighted in our introduction, many of the recommendations of the submission do not require direct public spending, but rather support policy and legislative change. We recognise that now is a particularly challenging time for policymakers. MABS would support a targeted public policy approach inspired by the positive impact of pandemic policies on the overall wellbeing of the general population. We understand that the consequences of high inflation are further compounded due to the historic barriers regarding investment in public services in the areas of climate change, health, social housing, childcare, education, and transport. We posit that, even in light of current challenges, increased investment in these areas would support overall household financial wellbeing. The long-term return on this investment would positively benefit across all of Irish society.

Thank you for taking the time to read and engage with our submission, and we at MABS hope for continual engagement with the Government on these issues in the future.

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<sup>78</sup> [15607\\_all\\_strategy\\_web.pdf \(adulthoodliteracyforlife.ie\)](#) CIB made a written submission to this [10-year Strategy](#).

<sup>79</sup> [Financial competence framework for adults in the European Union \(oecd.org\)](#)

<sup>80</sup> For more information, see: <https://www.oecd.org/financial/education/financial-competence-framework-for-adults-in-the-eu-launch.htm> "In parallel, the Commission and the OECD/INFE, in cooperation with Member States, will start work on a joint EU/OECD-INFE financial competence framework for children and youth, which is expected to be finalised in 2023."