

Background

Treoir is the national federation of services for unmarried parents and their children. Since 1976, Treoir, in partnership with its member agencies, has promoted the rights and best interests of unmarried parents and their children through its **National Specialist Information Service** and by **advocating for their rights**. In addition, Treoir provides national co-ordination for the **Teen Parents Support Programme** (TPSP) which consists of 11 Tusla-funded projects throughout the country.

One of Treoir's key principles is that *all families, including unmarried families, have the same rights to respect, care, support, protection and recognition*.

In 2014 **Treoir's National Information Service** responded to 7,659 calls, a significant number of which were from lone parents. In addition, in 2014, the TPSP offered support to 1,043 young parents, the vast majority of whom are lone parents.

The recommendations in this Submission are based on the experience of those contacting **Treoir's Specialist Information Service**, those supported by the **TPSP** and on feedback from service providers and professionals in Treoir's member agencies. These latter include a combination of statutory and non-statutory bodies, including specialist family support agencies, maternity hospitals, adoption societies and self-help groups.

Introduction

Lone parent families continue to be the single largest group living in poverty in Ireland.

The Survey on Income and Living Conditions (SILC) in Ireland is the official source of data on household and individual income and also provides a number of key national poverty indicators, such as the 'at risk of poverty' rate, the consistent poverty rate and rates of enforced deprivation.

An analysis of SILC 2013 by socio-demographic characteristics showed that *those living in households with one adult and one or more children had the highest deprivation rate in 2013 at 63.2% i.e. more than twice the national rate of 30%*. Analysis of consistent poverty rates by household composition showed that *individuals living in households where there was one adult and*

one or more children had the highest consistent poverty rate at 23.0% i.e. almost 3 times the national rate of 8.2%.¹

This finding is confirmed by the Treoir study² based on an analysis of the Growing Up in Ireland data which showed that while 1 in 4 families overall were classified as being at risk of poverty this rose to over 1 in 2 among lone parent families.

Treoir has welcomed features of Budget 2015 which aimed to enhance the well-being of lone parents and their children, among others. Nevertheless, Treoir believes that piecemeal reform and tweaking of the social welfare system will do little to raise significant numbers of lone parent families out of poverty. For example, the Vincentian Partnership states that while the increase to Child Benefit in the 2015 budget of €5 per month has helped move some social welfare dependent households, with a pre-school child, to income adequacy, it has not done this for households with children in other age groups.

The Vincentian Partnership states *that access to affordable and quality services, particularly housing and childcare is vital to enable those on low income to afford a socially acceptable minimum standard of living³*. For this reason, at this stage of economic recovery, Treoir favours investment in services which would benefit all sections of the community rather than tax relief and other concessions to higher earners.

This Submission will concentrate on aspects of the following four areas which Treoir believes has potential to raise lone parent families out of poverty in a sustained way:

- Housing
- Childcare
- Activation of lone parents on Jobseekers Transitional payment and
- Income Adequacy.

Although all of these are interconnected, for the purpose of this Submission they are treated separately.

¹ <http://www.cso.ie/en/releasesandpublications/er/silc/surveyonincomeandlivingconditions2013>
(accessed June 16 2015)

² *Watch Them Grow*, Corrigan, O, Treoir 2014

³ http://www.budgeting.ie/images/stories/Publications/MESL_Update_Paper/VPSJ_2015.pdf
(accessed June 16 2015)

Housing

The experience of the service users of both Treoir and the TPSP shows that the current housing crisis is having a catastrophic impact on the family life and well-being of many low income families, of whom lone parent families form a large proportion. Families who in the past were considered to have a housing need now no longer reach this threshold. The Teen Parents Support Programme reports that even where three (or more) generations are living in one house, and sometimes with serious social and other problems, physical space is now the only consideration in terms of assessing housing need. As a result housing arrangements considered detrimental to children some years ago are now deemed adequate.

The shortage of housing for families, the shortfall between actual rents and the Rent Supplement, the reluctance of many landlords to accept tenants on Rent Supplement and the more stringent interpretation of housing need all combine to leave families in substandard accommodation, homeless or moving regularly from one homeless facility to another. The health and well-being of all family members is affected and the routine and education of the children disrupted. This results in long term damage to many families and children and will involve long term social and economic cost to the state.

With no effective rent control measures, for those in receipt of Rent Supplement 'under the table' payments are now almost the norm. This increasing divergence between actual rents and the Rent Supplement is pushing families deeper into poverty forcing them to choose between shelter and other essentials.

TPSP staff report that Homeless Units are so overstretched that they are reluctant to accept referrals and, when they do, often have no emergency accommodation to offer young parents and their children. The TPSP can cite examples of young mothers who were offered emergency accommodation only if they found someone else to mind their child, thereby splitting up the family unit.

Finally, while there are advantages to the HAP scheme for those not already in receipt of Rent Supplement, it does not provide the security and support that is available to Local Authority tenants.

In the view of Treoir, the impact of the housing crisis on poor families is one of the hidden scandals of nearly a decade of austerity and, as the country is now working towards recovery, priority needs to be given to reversing it.

Recommendation:

- Prioritise house-building programmes
- Develop initiatives with landlords to increase supply
- Strengthen and enforce the rent control measures of the 2004 Residential Tenancies Act
- Remove the condition whereby someone on HAP must come off the housing waiting list, at least until the above is achieved
- Use the opportunity of new building programmes to increase the supply of supported housing for young vulnerable parents and other vulnerable families.

Childcare

The introduction of Jobseekers Transition Payment aimed to start a process whereby lone parents whose youngest child is 7 years of age and who are not already working (or working to their full potential), could be supported to participate in education and training so as to be well equipped to take up employment when their youngest child is aged 14 years.

The Minister for Social Protection (and now Tánaiste) Joan Burton TD said in the Dáil in April 2012 that she would not proceed with plans to reform the One-Parent Family Payment until such time as *“a system of safe, affordable and accessible childcare is in place, similar to what is found in the Scandinavian countries to whose systems of social protection we (the Government) aspire”*. Minister Burton referred to the need for *“adequate child care”* both for children’s safety and to enable *“a parent to make the first steps back to the workplace”*. To-date Ireland is a long way away from this Scandinavian model and childcare provision remains hugely inadequate. This militates against lone parents trying to prepare for employment and those searching for employment. The Vincentian Partnership for Social Justice states *‘the high cost of childcare substantially increases the cost of the MESL for the one parent household with a pre-school and primary school child (OP 2a) and necessitates*

earnings far in excess of the national minimum wage rate.⁴

Childcare provision in Ireland has developed historically from different funding sources resulting in several schemes carrying various levels of subsidies and conditions. For example, only community-based childcare providers can participate in the Community Childcare Subvention Scheme (CCS) and they do so voluntarily with implications for the adequacy of supply. Meanwhile the CETS scheme is restricted to those on certain courses and work activation schemes but may be provided by private childcare providers, thereby increasing supply. Although there is great emphasis on ‘activating’ those on Job Seekers Transition there is very little emphasis on retaining young mothers in the education system, and enabling them to progress to higher level education, thereby avoiding the need for ‘activation’ later in their lives. Currently, some young mothers, depending on where they live and/or the course of their choice, may be able to access childcare using existing schemes. However, there is no dedicated support for young mothers who wish to remain in or return to mainstream secondary school such as exists under the Care to Learn scheme in Northern Ireland. For example, a young mother doing her Leaving Certificate in a Youthreach centre may avail of CETS but a young mother doing her Leaving Certificate in a mainstream secondary school may not.

Recommendations:

- Increase the supply of affordable, quality childcare for lone parents seeking to prepare for or engage with the workforce
- Work with other Departments to streamline funding and conditions surrounding funding so that all lone parents regardless of where they live or the course of their choice have access to affordable childcare
- Increase the supply of childcare to young mothers in second level education by extending the CETS scheme to include them.

⁴ Ibid.

Activation of lone parents on Jobseekers Transitional payment

In general, Treoir supports the policy of the Department of Social Protection which encourages lone parents, who are social welfare dependent, to engage with education and training with a view to eventually entering the labour market. Indeed, figures from the Department of Social Protection⁵ are a testament to the desire of lone parents themselves to work to support their families. These figures show that in January 2015, despite the recession and the down-turn in employment, 45% of recipients of OFP were in employment.

However, lone parents are a very diverse group ranging from early school leavers to those with Third Level qualifications. For example, Treoir's analysis of the *Growing Up in Ireland* study⁶ shows that nearly 36% of solo parents did not work at all before the birth of their children. Activation programmes need to be wide-ranging, flexible and able to respond to this diversity so as to move lone parents into high quality employment in the future, even where parents are starting from a very low educational base. In addition, as Ireland's employment market requires an increasingly skilled workforce, more needs to be done to encourage parents to study part-time at FETAC Level 6 and higher.

In 2015 and 2016, combined, approximately 63,202 recipients of OFP will transfer to Jobseekers Transitional payment.⁷ For this very large group the earnings disregard will be €60 per week compared to €90 per week for recipients of OFP, constituting a serious disincentive to begin an engagement with the labour market. This discrepancy takes no account of the fact that lone parents invariably head single-income households with the consequent pressure on the household budget. The re-instatement of this income disregard is particularly important when one considers that prior to 2012 the income disregard for OFP was €146.

⁵ <https://www.kildarestreet.com/committees/?id=2015-02-18a.545> (accessed June 16 2015)

⁶ Op. cit.

⁷ *Briefing for the Lone Parent Representative Groups on the Transition of One-Parent Family Payment recipients as a result of the reforms to the Scheme*, Department of Social Protection, May 2013

While the introduction of the Family Dividend is welcome, it is inadequate to offset the additional cost of childcare, even where that childcare is already subsidised through the CCS scheme, for example. The latest available OECD figures for 2012⁸ show that for a typical lone parent family on average earnings seeking full-day care for two pre-school children, the net cost amounts to 40% of that family's income in Ireland, compared to an OECD average of 13% and an EU average of 12% (OECD, 2014). The OECD itself suggests that Ireland needs to consider a short-term subsidy scheme for childcare when parents are getting back into work after having been on welfare benefits.

Recommendations:

- Where lone parents have very low educational attainment, initial decisions regarding activation must not be based on immediate labour market considerations alone. Those making decisions regarding what is suitable education/training for those on Back to Education Allowance must themselves be suitably trained and qualified to make these judgements
- Extend the Momentum programme to recipients of Jobseekers Transitional payment
- Make it possible for parents on Jobseekers Transitional payment to avail of education at FETAC Level 6 and higher by removing the fees for part-time courses
- Restore the income disregard for those on Jobseekers Transitional payment to bring it in line with the income disregard for OFP
- Introduce a short-term subsidy scheme for childcare when parents are moving from welfare to work as recommended by the OECD.

⁸ OECD (2014) OECD measures of childcare costs and related work incentives. *Directorate for Employment, Labour and Social Affairs - Benefits and Wages: Statistics*, Available from: http://www.oecd.org/els/soc/Childcare_2012_EN_20140320.xlsx (accessed 28 March 2014).

Income adequacy

While the basic rate of payment to social welfare recipients has not been cut in recent Budgets, single parent households have been grappling with the erosion of other social welfare supports. These include, for example, the reduction in the earnings disregard for OFP recipients and changes in allowances relating to CE schemes. There have also been reductions in Child Benefit, Back to Education Clothing and Footwear Allowance, Rent Supplement and the Fuel Allowance. The effect of these and other cuts is reflected in the fact that the SILC data shows yearly increases in consistent poverty rates since 2008.

Furthermore the Vincentian Partnership states that the cumulative effect of reductions in social welfare supports has meant that the total support given to social welfare dependent households *has not kept pace with the cost of a Minimum Essential Standard of Living*⁹. The Vincentian Partnership states that the increase to the Qualified Child Allowance in 2010 and the increase in Child Benefit in 2015 have not been sufficient to offset the reductions to social welfare supports mentioned above.

Children in one-parent families are more than twice as likely to live in poverty compared to those in two-parent families. It is imperative, therefore, that direct social welfare transfers and other social welfare supports are adequate to meet at least their essential needs.

In addition, certain anomalies continue in the treatment of lone parents. For example, in terms of income limits and eligibility criteria for FIS both one- parent and two-parent households are treated equally. On the other hand, the income limits for Fuel Allowance varies greatly from €563.60 for a couple with one child to €410.10 for a lone parent with one child. It is difficult to comprehend the rationale for this variation when one takes into account the enormous financial and other pressures on people parenting alone.

Recommendations:

- At a minimum, social welfare payments and the associated secondary payments should not be cut or reduced in any way

⁹ Op.cit

- Consider an increase in basic social welfare payments to offset the erosion of secondary supports
- The Government must honour its commitment to increase child benefit by €5
- The treatment of income limits and eligibility criteria for secondary social welfare supports need to be consistent and should take into account the additional financial burden on lone parent households.

Summary

Lone parent families continue to be the single largest group living in poverty in Ireland with children in one-parent families more than twice as likely to live in poverty compared to those in two-parent families. The effects of year- on- year of austerity is reflected in the fact that SILC data shows yearly increases in consistent poverty rates since 2008 among lone parent families.

There is a need for increases and improvements to both basic social welfare payments and to secondary social welfare supports to ensure that one-parent households reach the minimum essential standard of living.

While piecemeal reform and tweaking of the social welfare system may benefit certain categories of lone parent families, it does little to raise all lone parent families out of poverty in a long term sustained way. For this reason, at this stage of economic recovery, Treoir urges the Department of Social Protection to work with other departments to invest in services that would benefit all sections of the community. Treoir believes this would be a more just and equitable approach rather than tax relief and other concessions to higher earners which will only serve to widen the gap between rich and poor.

These investments should concentrate primarily on housing, childcare and the infrastructure and supports surrounding the activation programme for parents on Jobseekers Transitional payment. This will require the Department of Social Protection to provide a lead on interdepartmental working on behalf of lone parents.

Summary of Recommendations

Housing

- Prioritise house-building programmes
- Develop initiatives with landlords to increase supply
- Strengthen and enforce the rent control measures of the 2004 Residential Tenancies Act
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- Use the opportunity of new building programmes to increase the supply of supported housing for young vulnerable parents and other vulnerable families.

Childcare

- Increase the supply of affordable, quality childcare for lone parents seeking to prepare for or engage with the workforce
- Work with other Departments to streamline funding and conditions surrounding funding so that all lone parents regardless of where they live or the course of their choice have access to affordable childcare
- Increase the supply of childcare to young mothers in second level education by extending the CETS scheme to include them.

Activation of lone parents on Jobseekers Allowance Transitional Payment

- Where lone parents have very low educational attainment, initial decisions regarding activation must not be based on immediate labour market considerations alone. Those making decisions regarding what is suitable education/training for those on Back to Education Allowance must themselves be suitably trained and qualified to make these judgements
- Extend the Momentum programme to recipients of Jobseekers Transitional Payment
- Make it possible for parents on Jobseekers Transitional Payment to avail of education at FETAC Level 6 and higher by removing the fees for part-time courses

- Restore the income disregard for those on Jobseekers Transitional Payment to bring it in line with the income disregard for OFP
- Introduce a short-term subsidy scheme for childcare when parents are moving from welfare to work as recommended by the OECD.

Income Adequacy

- At a minimum, Social Welfare Payments and associated secondary payments should not be cut or reduced in any way
- Consider an increase in basic social welfare payments to offset the erosion of secondary supports
- The Government must honour its commitment to increase child benefit by €5
- The treatment of income limits and eligibility criteria for secondary social welfare supports need to be consistent and should take into account the additional financial burden on lone parent households.