

GUIDELINES

FOR

POVERTY IMPACT ASSESSMENT

*This version of the guidelines is dated
20 February 2006*



SUMMARY OF STAGES IN POVERTY IMPACT ASSESSMENT

➔ Poverty Impact Assessment: Screening Stage

Is the policy, programme or proposal significant in terms of:

- Overall National/Departmental Policy;
- The level of expenditure involved;
- The change it will bring about in an existing policy or procedure;
- Its relevance to some or all of the vulnerable groups identified in the NAP/inclusion (see opposite page for a list of the vulnerable groups).

If the answer is YES or POSSIBLY to any of the above a full poverty impact assessment should be carried out.

Full details of the Screening process can be found in section 2 of these guidelines.

➔ Full Poverty Impact Assessment

Step 1 – Consultation

Step 2 – Define policy aims and target groups

Step 3 – Consider available data and research

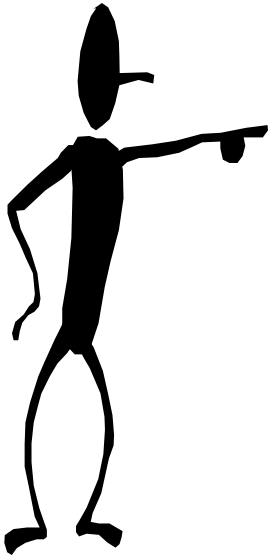
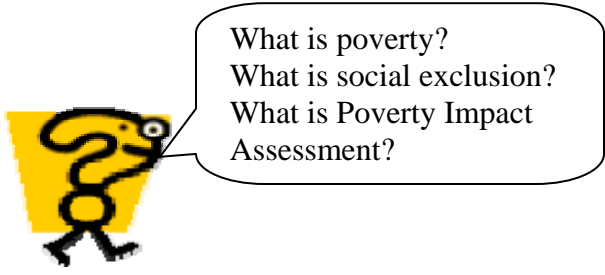
Step 4 – Assess impacts and consider alternatives

Step 5 – Make decision and arrange monitoring

Step 6 – Publish results

Step 7 – Return summary sheet to Social Inclusion Liaison Officer

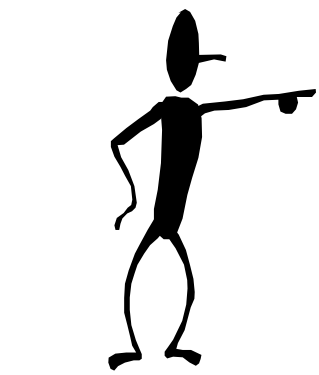
Full details of the steps involved in carrying out a poverty impact assessment can be found in section 2 of these guidelines.



POVERTY – People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally.

SOCIAL EXCLUSION – As a result of inadequate income and other resources people may be excluded and marginalised from participating in activities, which are considered the norm for other people in society.

POVERTY IMPACT ASSESSMENT - The process by which government departments, local authorities and State agencies assess policies and programmes at design, implementation and review stages in relation to the likely impact that they will have or have had on poverty and on inequalities which are likely to lead to poverty, with a view to poverty reduction.



VULNERABLE GROUPS*

1. Women
 2. Children and Young People
 3. Older People
 4. People with Disabilities
 5. Travellers
 6. Prisoners and Ex-prisoners
 7. Rural Poverty and Urban Disadvantage
- AREAS FOR SPECIAL ATTENTION**
8. Gender Mainstreaming
 9. Migrants and Ethnic Minorities

* Vulnerable groups and areas for special attention as identified in the National Action Plan against Poverty and Social Exclusion (NAP/inclusion).

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What is different in this version of the guidelines compared to the previous version?

- *This is the first version of the guidelines.*

Section 1

INTRODUCTION

AND

CONTEXT

1.1 National Anti-Poverty Strategy (NAPS) and National Action Plans against Poverty and Social Exclusion (NAPs/Inclusion)

The National Anti-Poverty Strategy (NAPS), originally published in 1997, is a ten-year Government plan to reduce poverty. The plan emphasised the multi-dimensional nature of poverty and considered that addressing poverty involves tackling the deep-seated underlying structural inequalities that create and perpetuate it¹. The current plan, *Building an Inclusive Society* was launched in 2002 and is a revision of the 1997 plan. The NAPS sets an objective of reducing and ideally eliminating consistent poverty in Ireland and includes a large number of targets and commitments designed to achieve this, such as, a target of eliminating long term unemployment and a new benchmark for the lowest social welfare payments of €150 by 2007 (in 2002 terms).

As part of an EU wide effort to make a decisive impact on poverty by 2010 each EU Member State is required to publish a National Action Plan against Poverty and Social Exclusion (NAP/inclusion) approximately every two years. The second NAP/inclusion were launched in 2003 and cover the period 2003-2005. The Irish NAP/inclusion incorporates the earlier NAPS commitments and relevant social inclusion commitments from *Sustaining Progress*, the current social partnership agreement. The keys areas identified for action in the Plan are: unemployment; income adequacy; educational disadvantage; health; housing and disadvantaged rural and urban areas. Targets are set under these themes that take account of a range of vulnerable groups who are at risk of poverty, including: women; children and young people; older people; Travellers; prisoners and ex-prisoners; people with disabilities, migrants and ethnic minorities.²

1.2 Poverty Impact Assessment

Poverty proofing was introduced in 1998 as a result of a commitment in the original NAPS that “*the question of impact on poverty will also be a key consideration when decisions are being made about spending priorities in the context of the national budgetary process and the allocation of the EU structural funds.*”³ The introduction of poverty proofing was also in line with a *Partnership 2000* commitment to strengthen administrative procedures for equality proofing in the context of the NAPS. It also plays a role in mainstreaming social inclusion issues into the policy making process generally.

Since 1998 it has been a requirement in the Cabinet Handbook that Memoranda for the Government involving significant policy proposals “*indicate clearly the impact of the proposal on groups in poverty or at risk of falling into poverty.*”⁴ In 1999 the Department of Social, Community and Family Affairs issued guidelines setting out the framework to be followed in carrying out poverty proofing.

¹ Government of Ireland (1997) *Sharing in Progress: National Anti-Poverty Strategy*, p.8

² These targets are set out in the summary table included in Appendix 1

³ Government of Ireland (1997) *Sharing in Progress: National Anti-Poverty Strategy*, p. 20-21

⁴ Department of the Taoiseach (1998) *Cabinet Handbook*, p.19

In 2001 the National Economic and Social Council (NESC) published a review of the poverty proofing process. The Office for Social Inclusion (OSI), established in 2002, was requested, drawing on the NESC Review, to develop a more effective poverty proofing process and to ensure that it is appropriately operationalised.

The OSI carried out its review of poverty proofing in 2005, resulting from which it has issued these new guidelines for what is now called poverty impact assessment. The change of name from poverty proofing to poverty impact assessment was made in order to make clear that the emphasis in the process should be on outcomes. The review can be accessed on the OSI website: www.socialinclusion.ie

The OSI review also took into account experiences from the pilot project on the development of an integrated approach to poverty, equality and gender proofing. This project, which involved the Equality Authority, the OSI, the Department of Justice, Equality and Law Reform and the Combat Poverty Agency, sought to develop a single template for the performance of these three proofing exercises. While the project concluded that separate proofing processes will still be required pending further development and modification of the integrated approach, these revised guidelines have been developed with a view to facilitating such an approach at a future stage.

1.3 Contents of these Guidelines

These guidelines are intended to be a practical tool to assist policy makers to carry out poverty impact assessment. Section 2 defines poverty impact assessment and describes when and why it should be carried out. The steps to be followed in carrying out poverty impact assessment are then set out and explained.

In order to carry out poverty impact assessment effectively policy makers should have an understanding of what is meant by poverty and the associated terminology, as well as poverty measurement. It is also important to have an understanding of the current position with regard to poverty in Ireland. This information is contained in section 3 which includes definitions of poverty and related terms, issues associated with poverty measurement, data and indicators, and details of poverty levels in Ireland. The relationship between poverty and inequality is also explored. More detailed data are set out in the appendices.

1.4 Updates, Further Information and Training

This first version of the guidelines will be kept under review in the context of experience in their use and of developments with regard to integrating the various proofing mechanisms. The appendices will be revised as more or updated data becomes available. Updated versions of the guidelines will be available on the website of the Office for Social inclusion: www.socialinclusion.ie/pia.html. A printed version in ring binder format will be available at a later stage.

Further examples of completed poverty impact assessments will be added in Appendix 5 as they become available.

Details of training courses regarding poverty impact assessment will also be available on the web.

Should you have any queries or suggestions regarding these guidelines, or training in poverty impact assessment, please contact:

Office for Social Inclusion,
Department of Social and Family Affairs
Áras Mhic Dhiarmada
Store Street, Dublin 1
Telephone: 01-7043851
Email: osi@welfare.ie
Website: www.socialinclusion.ie

Section 2

POVERTY

IMPACT

ASSESSMENT

2.1 What is poverty impact assessment?

Poverty impact assessment is defined as:

The process by which government departments, local authorities and State agencies assess policies and programmes at design, implementation and review stages in relation to the likely impact that they will have or have had on poverty and on inequalities which are likely to lead to poverty, with a view to poverty reduction.

The primary aim of the process is to identify the impact of the policy proposal on those experiencing poverty or at risk of falling into poverty so that this can be given proper consideration in designing or reviewing the policy or programme. It is not intended that all policies be fundamentally transformed so that they are explicitly targeted at the disadvantaged but rather that any possible negative impacts be identified and measures put in place to ameliorate such impacts. Likewise it is important that positive impacts are identified so that they can be enhanced if possible.

The potential effects of some policy proposals may be ambiguous in the sense that the policy may have a positive effect on some poverty risk groups and a negative (or no) effect on others. In such cases, all potential effects should be highlighted. One should consider the varying effects (if applicable) on each of the vulnerable groups and how any adverse effects on these groups might be counteracted. The possibility of particular groups being inadvertently excluded from the potential benefits of a proposal should also be considered. Those groups identified in the NAP/inclusion as vulnerable are women, children and young people, older people, people with disabilities, Travellers, prisoners and ex-prisoners, people experiencing rural disadvantage, people experiencing urban poverty, migrants and ethnic minorities. It should be noted that the extent and composition of these groups may change over time as the NAP/inclusion process develops.

In carrying out poverty impact assessment it is important to recognise that, while income adequacy is a key aspect of poverty, it is not the sole concern in the development of policies to alleviate poverty. For example, unemployment, education, health and housing policies are also key considerations.

While the secondary effects of some proposals (particularly those which are not directly aimed at alleviating disadvantage) may not be immediately apparent, they may still have an impact on those in poverty, or may, inadvertently, lead to a risk of poverty for some people or groups. It is important for that reason that decisions made in relation to the steps listed in section 2.3 below are supported by appropriate data and indicators.

2.2 When is poverty impact assessment carried out?

Following a Government decision of 23 July 1998 it has been a requirement in the Cabinet Handbook, that memoranda for the Government involving significant policy proposals "*indicate clearly the impact of the proposal on groups in poverty or at risk of falling into poverty in the case of significant policy proposals*".⁵ The system of impact on poverty should be based on a systematic analysis modelled on the framework contained in these guidelines. Although some departments' remit may not appear to impact directly on poverty, and while others are not involved in direct service delivery, it must be noted that poverty impact assessment is required to be performed by all government departments.

An impact assessment, based on the template set out in section 2.3 below, should be conducted prior to finalising any Memorandum to Government. The Memorandum itself should then include a short note summarising key results of the assessment, for example, increases or decreases in poverty overall, or likely impacts on specific groups.

Poverty impact assessment should also be undertaken in designing policies and in preparing the following:

Government Departments	State Agencies	Local Authorities⁶
SMI Statements of Strategy	Strategy Statements	County Development Plans
Annual Business Plans	Business Plans	County Development Strategies
Estimates & Annual Budget proposals	New Programmes	Corporate Plans
Expenditure Reviews & Programme Evaluations	Programmes Reviews	Operational Plans
National Development Plan and other relevant EU Plans and Programmes		Service Plans
Legislation, including significant Statutory Instruments		Introduction of service charges

Poverty impact assessment should be carried out at every stage at which significant policy proposals or changes are being considered, including where a pre-existing policy is being evaluated with a view to possible change. Poverty impact assessment should not be considered as something to be done after a decision has been made but rather as an inherent part of the policy development and decision making process.

Regulatory Impact Analysis

Since a Government Decision of 21 June 2005, Regulatory Impact Analysis (RIA) must be applied to all proposals for primary legislation involving changes to the regulatory

⁵ Department of the Taoiseach (1998) *Cabinet Handbook*, p.19

⁶Combat Poverty Agency (2005) *Developing a Local Anti-Poverty Strategy: A Guide*, p. 65

framework, significant Statutory Instruments; draft EU directives and significant EU regulations. RIA is a tool used to assess the likely impacts and costs and benefits of a proposed new regulation or regulatory change. RIA is an integrated approach involving the examination of economic, social and environmental impacts and includes structured consultation with stakeholders.

The RIA process is clearly complementary to Poverty Impact Assessment since it includes a specific requirement to examine the impacts of regulatory proposals on the socially excluded and vulnerable groups. The synergies between the two approaches are reflected in the RIA Guidelines “How to conduct a Regulatory Impact Analysis” which explicitly refer policy makers to the new PIA guidelines and lists the steps involved in carrying out a poverty impact assessment.

It should however be noted that because RIA is an ex ante approach and only applies to proposed regulations, not all policy proposals will be subject to RIA. However, where proposed regulations are involved, in order to avoid unnecessary duplication between the RIA process and poverty impact assessment, a poverty impact assessment should be included as part of the RIA process. Where a detailed Poverty Impact Assessment is required it will be referred to in the RIA and included as an attachment to the RIA document.

For policy proposals where RIA is not required, Poverty Impact Assessment will be conducted in the normal way as set out in these PIA guidelines.

Further information on the Regulatory Impact Analysis process and electronic copies of the RIA Guidelines, can be obtained from the Better Regulation Unit in the Department of the Taoiseach or on the Better Regulation Website at www.betterregulation.ie.

2.3 How to carry out a Poverty Impact Assessment

Stage 1 of the process is the screening stage, during which the screening tool set out below should be used to determine whether it is necessary for the policy or programme to be subjected to a full poverty impact assessment. The screening tool asks whether the programme or policy is significant (or likely to be significant) in terms of overall national or departmental policy; the level of expenditure involved; the change it will bring about in existing policies or procedures and its relevance to some or all of the vulnerable groups identified in the NAP/inclusion. When considering the response to this section it is important to remember that the inequalities sometimes experienced by these groups can often lead to poverty. Where it is found that the programme or policy is likely to be significant in any of these areas the policy maker should proceed to **Stage 2** which is the full poverty impact assessment. Where this is not the case it is not necessary to carry out a full poverty impact assessment, the summary poverty impact assessment sheet (page 24) should be completed appropriately and returned to the departmental social inclusion liaison officer (who will forward a copy to the OSI).

Stage 2 is the full poverty impact assessment which consists of the following seven steps:

- formal consultation (this is not a discrete step but cross-cuts the other steps);
- definition of policy aims and target groups;
- consideration of available data and research,
- assessment of impacts and consideration of alternatives;
- decision making and arrangement of monitoring;
- publication of results;
- and return of summary sheet to the departmental social inclusion liaison officer (who will forward a copy of it to the OSI). It should be noted that, although listed as discrete steps here, there may be some overlap between them.

In answering the questions set out in the following pages, policy makers should include the basis of the assessment, for example, administrative data sources, household survey data, working group or task force reports etc. The indicators which will be used to measure progress should also be specified.

In order to assist policy makers with accessing information to inform the process, some information regarding data sources, poverty measurement and indicators is included as follows:

- Appendix 1: NAP/inclusion summary table of targets
- Appendix 2: List of Social and Equality Indicators
- Appendix 3: Irish Poverty Data
- Appendix 4: List of useful websites
- Appendix 5: Worked examples (will be updated)

When considering impacts, particular attention should also be paid to inequalities which may lead to poverty. These could arise in the context of gender; marital status; family status; age; disability; race; sexual orientation; religious belief; or membership of the Traveller community.

The steps to be followed in carrying out poverty impact assessment are set out in detail in the following pages. In answering the questions set out in these steps policy makers should refer to the information in Section 3 on Poverty Issues.

Poverty Impact Assessment

STAGE 1 Screening – This will inform the policy maker as to whether or not it is necessary to carry out a full poverty impact assessment.

Screening Tool⁷

Is the policy, programme or proposal significant in terms of:	YES	NO	POSSIBLY
Overall National/Departmental Policy			
The level of expenditure involved			
The change it will bring about in an existing policy or procedure			
Its relevance to some or all of the groups identified in the National Action Plan against Poverty and Social Exclusion as vulnerable groups, namely*: <ul style="list-style-type: none"> • Women • Children and young people • Older people • People with disabilities • Members of the travelling community • Prisoners and ex-prisoners • People experiencing rural disadvantage • People experiencing urban poverty • Migrants • Ethnic minorities Also need to consider potential impacts on inequalities which may lead to poverty.			

*It should be noted that the extent and composition of these groups may change over time and so the focus of poverty impact assessment may change over the lifetime of the next round of the NAP/inclusion process.

If the answer is **NO** in **all** cases then it is not necessary to carry out a full poverty impact assessment. In that case the summary sheet (p.26) should be completed and returned to the Departmental social inclusion liaison officer, or directly to the Office for Social Inclusion if there is no liaison officer.

If the answer is **YES** or **POSSIBLY** to **any** of the above a full poverty impact assessment should be carried out following the steps outlined in Stage 2.

⁷ This screening tool is modelled on that used in the Integrated Proofing Pilot Project.

STAGE 2 Full Poverty Impact Assessment – Summary 1/2**Step 1: Consultation**

To ensure the process is transparent and that poverty impact assessment is integrated into the policy making process it should be incorporated into the consultation process. Stakeholders may include staff in other departments or agencies, non-governmental organisations or individuals who may be directly affected by the policy or programme.

Step 2: Define Policy Aims and Target Groups

- 2.1 *What is the primary objective of this policy / programme / expenditure proposal?*
- 2.2 *Who are the target groups and how will the proposal reach those groups?*
- 2.3 *What are the differences within the target group/between the target groups which might lead to them benefiting from the policy/programme in different ways and how could these be addressed?*

Step 3: Consider Available Data and Research

Consider what data is available within own organisation, other departments or agencies or from alternative sources. Identify data or indicators against which progress can be measured.

Step 4: Assess Impacts and Consider Alternatives

- 4.1 *What type of impact on poverty (either in terms of numbers in poverty or level of poverty) would the proposal have, in particular for each of the vulnerable groups listed in the table? (see table 4.1 on page 21)*
- 4.2 *If the proposal would have no effect on poverty what options might be identified to produce a positive effect?*
- 4.3 *If the proposal would have a positive effect would it help to prevent people falling into poverty, reduce the level (in terms of numbers and depth) of poverty or ameliorate the effects of poverty? (please specify). Explain how these positive effects are achieved and consider whether the position could be improved upon.*
- 4.4 *If the proposal would have a negative effect (i.e. it would increase either the numbers in poverty or the level of poverty experienced) what options could be considered to ameliorate this effect?*
- 4.5 *Would the policy/programme/proposal contribute to the achievement of the NAP/inclusion targets (including subsidiary targets)?
If yes, explain how this is the case and whether the position can be improved further. If no, can anything be done so that it does contribute to the targets?*
- 4.6 *Would the programme/policy/proposal address the inequalities which may lead to poverty?*

STAGE 2 Full Poverty Impact Assessment – Summary 2/2
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Step 5: Make Decision and Arrange Monitoring

5.1 *Will this proposal be adopted?*

5.2 *If the proposal is to be adopted, how will its impact on poverty be monitored?*

Step 6: Publish Results

Step 7: Return Summary Sheet to Social Inclusion Liaison Officer

The Social Inclusion Liaison Officer will then forward a copy to OSI. Where there is no liaison officer a copy should be sent directly to OSI.

STAGE 2: Full Poverty Impact Assessment

Where it has been determined (following the screening stage) that it is necessary to carry out a full poverty impact assessment, the seven steps described in the following pages should be followed.

Step 1: Consultation

Consultation with stakeholders is an important part of policy or programme development and review. In order to ensure that poverty impact assessment is integrated into the policy making process it should be incorporated into the consultation process. Although listed as a first step consultation can also take place during other stages of the process.

Stakeholders may include staff in other departments or agencies, non-governmental organisations and importantly the individuals who are likely to be directly affected by the programme or policy. The consultation could take the form of a seminar, workshop or focus group, questionnaires could be circulated or submissions could be requested.

The effective benefits of consultation are that it can assist with defining policy objectives and impacts, and ensuring that the process is as transparent as possible.

In July 2005, the Taoiseach launched “*Reaching Out – Guidelines on Consultation for Public Sector Bodies*”, a document which provides advice on best practice in carrying out consultation processes. In carrying out poverty impact assessment it may be useful for policy makers to refer to that document. Copies are available at: http://www.betterregulation.ie/attached_files/Rtfs/Consultation%20Guidelines.doc

Consultation should not be seen in isolation but rather as a mechanism to inform the other steps in the process. It is not necessary to arrange a specific “poverty impact assessment” consultation process but likely impacts on poverty as well as procedures to mitigate any possible negative effects should be considered specifically in the general consultation process which would normally be held in developing the policy or programme.

Step 2: Define Policy Aims and Target Groups

2.1 What is the primary objective of this policy / programme / expenditure proposal? Consider its intended outcomes.

Box sizes for illustrative purposes only

2.2 Who are the target groups and how will the proposal reach those groups? If it is considered that the proposal will not reach the target groups then perhaps this is not the appropriate group and maybe the proposal should be amended or refocused to address this.

2.3 What are the differences within the target group/between the target groups which might lead to them benefiting from the policy/programme in different ways and how could these be addressed?

*It is important to recognise the **diversity** that may exist within the target group as this will have implications for an individual's capacity to access the programme or benefit from the policy. In some cases there will be more than one target group and they may be reached in different ways and to different extents. For example, in the case of an educational programme specifically targeted at young adults those with children may need additional services in order to participate, migrants may need additional language supports, those with literacy problems may also need additional supports.*

Consideration should be given to any measure which could be put in place in order to improve the position of those target groups which may not receive the full benefit of the programme or policy as it is currently designed.

Step 3: Consider Available Data and Research

3.1 Importance of Data

Access to adequate, appropriate and up to date data is necessary if poverty impact assessment is to be carried out effectively. There is no doubt that the absence of appropriate data and disaggregated (e.g. by gender/age) data in particular is often a problem in policy development or review and poverty impact assessment is no exception in this regard. In addressing the questions outlined in Step 4 below the basis of the assessment should be made clear.

In light of the increasing need for the availability of data on poverty and social inclusion (a considerable amount of which arose from the NAPS and NAP/inclusion processes) the National Statistics Board (NSB) in consultation with the Senior Officials Group on Social Inclusion (SOGSI) proposed that a study be undertaken to examine the issue. In 2002 a Steering Group on Social and Equality Statistics (SGSES) was established and its remit was to determine the scope of likely requirements for social and equality statistics and the extent to which these are being met, or could be met by existing data holdings in administrative records. It was intended to identify gaps and to provide a basis for identifying priorities to be addressed in a medium term development programme for social and equality statistics.⁸

The OSI has as one its key support tasks the development of a data strategy to ensure that the necessary data is available for monitoring and evaluation in relation to the NAP/inclusion. A further task is the development of a valid and up to date method of poverty measurement. It is assisted in this work by a group of technical experts and also liaises closely with the CSO, ESRI and other relevant bodies.

3.2 Data Sources

Departments and Agencies hold a vast amount of data about their own organisation and their clients. The SGSES carried out an audit of administrative and survey data sources which identified approximately 200 social and equality data sources that are currently providing or could potentially be enhanced and developed to provide information on Irish society⁹. The report contained a preliminary listing of the data holdings of relevance to social statistics in each Department and also outlined the extent to which these data sources could be disaggregated by criteria such as age, gender and socio-economic status¹⁰. These tables do highlight gaps in the information available but they also provide an insight into the vast amounts of data held by departments and as such they are a useful resource for policy makers. A summary version of this information is included in Appendix 2. The full report can be found at <http://www.nsb.ie/publications/Developing%20IrishSocial&EqualityStatstoMeetPolicyNeeds.pdf>.

⁸ NSB (2003) *Developing Irish Social and Equality Statistics to meet Policy Needs*, p.13

⁹ *Developing Irish Social and Equality Statistics to meet Policy Needs*, p.35

¹⁰ See Appendices E and F of the *Developing Irish Social and Equality Statistics to meet Policy Needs*

In 2003, the Central Statistics Office conducted an examination of data holdings in six government departments and produced a report on the statistical potential of administrative records, with the primary focus being on data of relevance to social statistics¹¹. This report, known as the “SPAR Report” and the forthcoming SPAR II along with departmental data strategies have been identified as “*valuable contributions to better understanding and utilization of data in departments*”.¹²

The CSO publishes the results of the new EU Survey on Income and Living Conditions (EU-SILC), which since 2003 has replaced the earlier Living In Ireland Survey (LIIS), which was conducted and reported upon by the ESRI. The CSO also holds data on numerous issues such as education, housing and employment. The data on poverty contained in Appendix 3 is drawn from the LIIS and EU-SILC surveys.

Previous research such as working group reports or expenditure reviews may also be a useful source of information.

3.3 Indicators

It is important that measurable indicators against which progress will be measured are specified. Indicators do not necessarily have to relate simply to earnings or income. Examples of indicators include: employment rates for various age groups; numbers of early school leavers participating in training programmes; number of homeless people; and numbers of people living in consistent poverty.

The summary table contained in Appendix 1 sets out the NAP/inclusion targets, associated indicators and relevant data sources. While not all policies/programmes will relate directly to these targets this is still a useful resource in that it indicates what types of data are held by various organisations. In some cases, however, appropriate data may not be available and so it may be necessary, for example, to specifically survey the target group.

¹¹ The six departments are Education & Science; Environment, Heritage & Local Government; Health & Children; Justice, Equality & Law Reform; Social & Family Affairs and the Office of the Revenue Commissioners.

¹² Department of An Taoiseach (2005) *Sustaining Progress 2003-2005 Final Report on Special Initiatives*, p.3

Step 4: Assess Impacts and Consider Alternatives

Consider whether the proposal has any impact on poverty, e.g., on the numbers of people at risk of poverty, numbers of people in consistent poverty, persistent poverty, or the depth of poverty experienced. (These terms are explained in Section 3 - Box 3.1).

It is important to remember that it is not just monetary effects in terms of poverty but, because of the definition of poverty used, it is a wider social inclusion aspect that should be considered. In that regard it should also be remembered that some effects may not be immediate but could occur in the medium to long term and so it is important to take a long-term view. For example facilitating access to educational services could have a positive impact in the medium to long term in that the beneficiaries of such a programme would be expected to be more likely to find employment than they would otherwise have been. Particular attention should be paid to those vulnerable groups whom the NAP/inclusion has identified as being most at risk of poverty or social exclusion.

4.1 What type of impact on poverty (either in terms of numbers in poverty or level of poverty) would the proposal have, in particular for each of the vulnerable groups listed in the table?

Vulnerable Group (as identified in the current NAP/inclusion)	Likely impact of the programme/project in terms of poverty		
	None See Q.4.2	Positive See Q.4.3	Negative See Q.4.4
Women			
Children and Young People			
Older people			
People with disabilities			
Members of Travelling community			
Prisoners and ex-prisoners			
People experiencing rural disadvantage			
People experiencing urban poverty			
Migrants			
Ethnic minorities			
Others: (please specify)			

Questions 4.2, 4.3 and 4.4 below should be answered as appropriate depending on whether there is likely to be no impact, a positive impact or a negative impact. It may be necessary to answer all three of these questions.

4.2 If the proposal would have no effect on poverty what options might be identified to produce a positive effect?

Consider whether any changes could be made so that it would have a positive effect. This could include, for example, re-targeting the programme so that it is aimed specifically at one or more of the vulnerable groups identified in the NAP/inclusion.

4.3 If the proposal would have a positive effect would it help to prevent people falling into poverty; reduce the level (in terms of numbers and depth) of poverty and/or ameliorate the effects of poverty?

Explain how these positive effects are achieved and consider how the position could be improved upon.

4.4 If the proposal would have a negative effect (e.g., by increasing the numbers in poverty or the level of poverty experienced) what options could be considered to ameliorate this effect?

Explain how the negative effects occur and consider whether it would be possible to amend the proposal in order to prevent these negative effects or whether additional measures could be put in place to counteract the negative effects.

4.5 Would the policy/programme/proposal contribute to the achievement of the NAP/inclusion targets (including the subsidiary targets)?

If it does contribute to the achievement of the targets, explain how this is the case and consider whether the position can be improved further. If it does not, consider whether anything can be done to reverse the position. In this regard, consideration should be given as to whether the programme is specifically aimed at groups experiencing poverty or at risk of poverty, i.e., whether it is intended as an anti-poverty measure. The NAP/inclusion targets are listed in the NAP/inclusion summary table at Appendix 1.

4.6 Would the programme/policy/proposal address the inequalities which may lead to poverty?

The relationship between poverty and inequality is quite a complex one (see also Section 3.3). Equality legislation in Ireland recognises that inequality can occur under any of the following headings (“the nine grounds”): gender, family status, marital status, age, disability, sexual orientation, race, religion, and membership of the Traveller community.

Consideration should be given to whether the programme or policy has a particular relevance to people in any of these categories and whether there is a need for the programme/policy to focus on people in any of the categories in its design or delivery.

Step 5: Make Decision and Arrange Monitoring

5.1 Will this proposal be adopted?

When the impacts of the proposed options have been assessed and alternatives considered to counteract any negative effects have been identified a decision can then be made as to whether or not to proceed with the policy or programme.

5.2 If the proposal is to be adopted, how will its impact on poverty be monitored?

A system should be devised and implemented in order to monitor whether (and to what extent) the expected impact is actually occurring. The indicators against which progress will be monitored should be specified here. This section should also make clear which office/unit will be responsible for the monitoring. The frequency with which the indicators will be monitored should also be noted.

If a programme or policy is being put in place to counteract any negative impacts resulting from the original programme it should also be monitored and details of how that will be undertaken should also be included here.

Step 6: Publish Results

In order for the process of poverty impact assessment to be transparent it is important that not just the results of the assessment but also details as to how decisions were reached (and the data on which they were based) are made available where this is possible, and subject to requirements such as those relating to cabinet confidentiality.

If the poverty impact assessment relates to a published report such as an expenditure review then the analysis should be published as part of that document. Alternatively, the information could be made available on the organisation's website.

Step 7: Return Summary Sheet to Social Inclusion Liaison Officer

When these steps have been completed the summary sheet below should be completed and returned to the department's social inclusion liaison officer who will in turn forward a copy to the Office for Social Inclusion (OSI). If there is no liaison officer a copy should be sent direct to the OSI.

The OSI will use these summary sheets for statistical purposes and random selections will be made periodically in order to monitor progress and identify examples of best practice. The OSI will provide updates regarding poverty impact assessment to the Social Inclusion Consultative Group which is made up of representatives of the social partners.

Poverty Impact Assessment - Summary Sheet

Where a policy has been screened and it has been decided that it is not necessary to carry out a full poverty impact assessment, or where a full poverty impact assessment has been carried out, this summary sheet should be completed and returned to your department's social inclusion liaison officer. If there is no liaison officer a copy of this sheet should be sent direct to the Office for Social Inclusion.

Department Name: _____

Programme/Policy Title: _____ **Date of implementation** _____

Brief description of programme/policy (please specify the target group):

Date poverty impact assessment was carried out: _____

Stage at which poverty impact assessment was carried out (e.g. design, review): _____

Brief summary of results: (If a full poverty impact assessment was not carried out, please refer to the results of the screening stage.)

If these results were published please specify where they are available. If they were not published, please explain why. _____

Contact Information:

Name: _____
Address: _____
Telephone Number _____ **Email address:** _____

Signed: _____ **Date:** _____

Note to Social Inclusion Liaison Officer: Please keep the original summary sheet and send a copy to the Office for Social Inclusion, Floor 5, AMD, Store Street, Dublin 1

Section 3

***INFORMATION ON
POVERTY ISSUES***

3.1 Definitions of Poverty

The definition of poverty underpinning the National Anti-Poverty Strategy (NAPS) and the National Action Plan against Poverty and Social Exclusion 2003-2005 (NAP/inclusion) is:

"People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and other resources, people may be excluded and marginalised from participating in activities which are considered the norm for other people in society."

Put more simply, poverty is deprivation due to a lack of resources, both material and non-material, for example, income, housing, health, education, knowledge and culture. Such resources can be personal, within the family, or within the community.

There is a number of related terms which are relevant when carrying out poverty impact assessment. These terms are defined in Box 3.1.

Box 3.1 Definitions

Deprivation is defined as unmet basic human needs.

Social Exclusion is being unable to participate in society because of a lack of resources that are customarily available to the general population. It can refer to both individuals, and communities in a broader framework, with linked problems such as low incomes, poor housing, high crime environments and family problems. The concept of social exclusion recognises another dimension of poverty, in that it focuses on relational issues such as inadequate social integration and lack of power. (1)

Inequality is a comparative or relative concept. It does not measure deprivation or poverty and does not require a threshold. The relationship between poverty and inequality is quite a complex one. Often inequalities lead to poverty but it is possible for inequality to exist without poverty.

Relative Income Poverty defines those who are poor as being below a certain income threshold, usually 60% of the median equivalised disposable income. (2) Median income is the figure that divides the income distribution in society into two equal parts, half having incomes above the median and half having incomes below the median. Persons below the 60% median income level are regarded as being 'at risk of poverty'. It should be noted that they are not necessarily in poverty. Whether they are in poverty will depend on a number of factors including: the degree to which their income is below the threshold; the length of time on this low income; and their possession and use of other assets, especially their own homes. Relative poverty is described with reference to the prevailing socio-economic conditions of society. This recognises that the unequal distribution of resources and opportunities contributes to poverty.

Consistent Poverty is being at risk of poverty and experiencing deprivation in relation to one or more of the following indicators: unable to afford a meal with meat, chicken or fish (or vegetarian equivalent) every second day; unable to afford new, not second hand, clothes; without heating at some stage in the past year due to lack of money; experienced debt problems arising from ordinary living expenses; unable to afford two pairs of strong shoes; unable to afford a roast, or equivalent, once a week; unable to afford a warm waterproof coat; no substantial meal for at least one day in the past two weeks due to lack of money. (These indicators are currently being reviewed).

Consistent poverty is the agreed measure for the key target in the NAPS, which is, by 2007: "*to reduce the numbers of those who are 'consistently poor' below 2% and, if possible, eliminate consistent poverty, under the current definition of consistent poverty. Specific attention will be paid to particular vulnerable groups in the pursuit of this objective.*" (3)

Persistent Poverty – Persons are regarded as being in persistent poverty if they have lived for 3 of the last 4 years in households below 60% of median income.

Depth of Poverty, or the *Poverty Gap*, essentially measures the difference between the average income of those who are regarded as being at risk of poverty and the average income of the population as a whole. It is sometimes regarded as a measure of 'how poor are the poor'

Notes to Box 3.1

- (1) Government of Ireland (1997) *Sharing in Progress: National Anti-Poverty Strategy*, p. 2, 3
- (2) Disposable income is defined as gross income less tax and PRSI. Equivalised means that the level takes into account differences in household size and composition.
- (3) National Anti-Poverty Strategy (2001) *Building an Inclusive Society: Review of the National Anti-Poverty Strategy under the Programme for Prosperity and Fairness*

3.2 Poverty measurement, data and indicators

There is no one measure that will give a perfect picture of the situation regarding deprivation, poverty or social exclusion. This is particularly true for a country like Ireland that has experienced rapid economic growth over the last ten years. Therefore, a number of indicators are used to measure progress in combating poverty and social exclusion: covering areas such as low income (definitions of several key income-related indicators are included above in Box 3.1), early school leavers, jobless households, long term unemployment, life expectancy etc. There are 18 agreed EU indicators, commonly referred to as the Laeken Indicators. These are listed in Box 3.2.

Box 3.2 The Laeken Indicators	
Primary Indicators	
1.	Low income rate after transfers with low income threshold set at 60% of median income (with breakdowns by age, most frequent activity status, household type and tenure status);
2.	Distribution of income (income quintile ration);
3.	Persistence of low income;
4.	Median low income gap;
5.	Regional cohesion;
6.	Long term unemployment rate;
7.	People living in jobless households;
8.	Early school leavers not in education or training;
9.	Life expectancy at birth;
10.	Perceived health status;
Secondary Indicators	
11.	Dispersion around the 60% median low income threshold;
12.	Low income rate anchored at a point in time;
13.	Low income rate before transfers;
14.	Distribution of income (Gini Coefficient);
15.	Persistence of low income (based on 50% of median income);
16.	Long term unemployment share:
17.	Very long term unemployment rate;
18.	Persons with low educational attainment.

Member States must report on these indicators in their NAP/inclusion reports to the EU. The Indicators Sub-Group of the EU Social Protection Committee is engaged in refining and widening these indicators, including in the context of EU enlargement.

In the area of poverty measurement there has been a strong focus on the measurement of income poverty alone. It is acknowledged however, that income lines are arbitrary devices particularly as their calculation does not take account of general standards of living. Therefore, not everyone below the relative income poverty line will be considered to be poor as they may, for example, have savings to fall back on when income is low for short periods. Such people are generally considered to be “at risk of poverty” as defined in section 3.1. It is for that reason that deprivation indicators are also used in Ireland, in order to get a better picture of those most in need. Persons who have both low levels of income and who experience basic deprivation are considered to be living in “consistent poverty”¹³.

The Living in Ireland Survey (LIIS), undertaken by the Economic and Social Research Institute (ESRI) between 1994 and 2001, was until recently, the source of all Irish data on poverty for both national and international fora. The LIIS has been replaced by the new EU Survey on Income and Living Conditions (EU-SILC), an annual survey which will make it possible to have timely data available to allow for study and comparison. Common EU indicators are now collected for all EU countries which should facilitate cross country comparisons. In Ireland the Central Statistics Office (CSO) has responsibility for this new survey, and has published results for 2003 and 2004¹⁴.

The EU-SILC is designed to obtain information on the income and living conditions of different types of households as well as obtaining information on poverty and social exclusion. A representative sample of households throughout the country is approached to provide the required information. The survey is voluntary. Data is required in both cross-sectional (pertaining to a given time in a certain time period) and longitudinal (pertaining to individual-level changes over time) dimensions. Therefore, certain households will be surveyed on an annual basis.

It is expected that the results of EU-SILC will provide a comprehensive picture of income, living conditions and poverty throughout the EU. They will also play an important role in meeting Irish national requirements in the area of poverty, social exclusion and household income. Government departments should also make use of the EU-SILC results in shaping policy, which in one way or another directly affects individual households.

Appendix 1 contains a summary table which sets out each NAP/inclusion target, associated indicators and information as to where the information can be sourced. These targets relate not just to income adequacy but also to, for example, employment, education and housing.

¹³ Government of Ireland (1997) *Sharing in Progress: National Anti-Poverty Strategy*, p. 32

¹⁴ Central Statistics Office (2005) *EU Survey on Income and Living Conditions (EU-SILC) 2004 (with revised 2003 estimates)*, Ref 220/2005

Appendix 3 contains detailed poverty data relating to Ireland drawn from the LIIS and EU-SILC surveys.

3.3 Poverty and Inequality Interface

The NAPS emphasised the multi-dimensional nature of poverty and accepted that inequalities can cause and perpetuate poverty. This relationship between poverty and inequality was specifically reflected in three of the principles underlying the NAPS as follows: ensuring equal access and encouraging participation for all; guaranteeing the rights of minorities, especially through anti-discrimination measures; and the reduction of inequalities and in particular addressing the gender dimensions of poverty.

On its introduction it was agreed that poverty proofing should include a focus on inequalities in so far as they are likely to lead to poverty.¹⁵ This is reflected in the original poverty proofing guidelines where policy makers were asked to pay particular attention to the inequalities that may lead to poverty when answering the questions posed. In addition, one of the questions specifically asks “*Does the policy/programme/expenditure proposal address inequalities which may lead to poverty?*” In order to answer this question, policy makers need to have an understanding of the complex inter-relationships between poverty and inequality.

In 2003, the Combat Poverty Agency and the Equality Authority produced the report “*Poverty and Inequality: Applying an Equality Dimension to Poverty Proofing*” which is a good resource for those attempting to better understand the relationship between poverty and inequality. Part I sets out the conceptual links between poverty and inequality and presents ten such links including; relieving poverty is intrinsically redistributive; the more people care about equality, the more will be done to eliminate poverty, and the more unequal our society, the less people will care about either poverty or equality; the prospective of effective anti-poverty measures depends on greater equality of power¹⁶.

Part II of the report focuses on the difficulties associated with answering the question relating to inequalities which may lead to poverty and explains that the link between poverty and inequality is not always clear. This can make it difficult to identify the broad policy areas that are most clearly relevant to addressing such inequalities and the type of poverty that might result¹⁷. The report, however, does advise as to how to apply the question relating to inequalities likely to lead to poverty, with regard to age, gender, disability, ethnicity and sexual orientation. Characteristics of these groups are considered under a number of different categories where links between poverty and inequality are evident, including: employment, education, training, housing and income.

¹⁵ National Anti-Poverty Strategy (1999) *Social Inclusion Strategy: Annual Report of the Inter-Departmental Policy Committee 1998/1999*, p. 13

¹⁶ Combat Poverty Agency & Equality Authority (2003) *Poverty & Inequality: Applying and Equality Dimension to Poverty Proofing*, p. 20

¹⁷ Combat Poverty Agency & Equality Authority (2003) *Poverty & Inequality: Applying and Equality Dimension to Poverty Proofing*, p. 27

The difficulty in trying to analyse the relationship between poverty and inequality is compounded by the fact that, although there is a definition of poverty in Ireland around which there is a broad consensus, no similar definition of equality exists. Equality legislation lists 9 grounds, with several of these groups identified in the NAP/inclusion. In addition some people may experience inequality due to more than one of these grounds simultaneously and this will further complicate the poverty/inequality interface. It is not necessarily the case that inequality will always lead to poverty but it is recognised that people who experience inequality under any of these grounds often have a higher risk of poverty.

Section 4

APPENDICES

Appendix 1 - NAP/inclusion summary table of targets

These 34 targets are grouped according to the main objectives set out in the NAP/inclusion, i.e. (i) To facilitate participation in employment; (ii) To facilitate access to resources, rights, goods and services for all; (iii) To prevent the risks of exclusion; (iv) To help the most vulnerable. The relevant indicator and data source associated with each target is shown, as is the Department with lead responsibility for its achievement. Up to date information regarding these targets and other commitments, including monitoring of progress towards reaching them, can be found in various OSI reports in the ‘publications’ section of the OSI website at www.socialinclusion.ie.

OBJECTIVE - TO FACILITATE PARTICIPATION IN EMPLOYMENT

Department	Target	Indicator	Data
D/ET&E	To eliminate long-term unemployment as soon as circumstances permit but in any event not later than 2007	Long term unemployment rate	Quarterly National Household Survey (QNHS) & Labour Force statistics
D/ET&E	To achieve the objectives set out in the National Employment Action Plan to increase employment rates (70% for overall working age population; 60% for female working age population; 50% for 55-64 age group – to be achieved by 2010).	Employment rate defined as the number of employed aged 15–64 as a percentage of the total population aged 15–64	QNHS & Labour Force statistics
D/ET&E	To increase the employment participation of women to an average of more than 60 per cent in 2010, as envisaged under the National Employment Action Plan 2001	The employment rate for women	QNHS & Labour Force statistics

OBJECTIVE - FACILITATE ACCESS TO RESOURCES, RIGHTS, GOODS AND SERVICES FOR ALL

Department	Target	Indicator	Data
D/SFA	To reduce the number of those who are consistently poor below 2% and if possible eliminate consistent poverty under the current definition of consistent poverty	Number of those below 60% of mean income and lacking one or more of eight essential material goods.	LIIS undertaken by ESRI between 1994 and 2001 and annual EU-SILC undertaken by the CSO since 2003 (disaggregated where possible by vulnerable group)
D/SFA	To achieve a rate of €150 per week in 2002 terms for the lowest rates of social welfare to be met by 2007.	Lowest rate of social welfare levels in 2007 and relevant indexation measures.	Department of Social and Family Affairs rates of welfare and Budget increases
D/SFA	Social Welfare pensions to be improved to reach a target level of €200 by 2007	Level of social welfare pension payments	Department of Social and Family Affairs rates of welfare and Budget increases
D/SFA	(a) Progress to be made towards implementation of improvements in Widow(er)'s Pensions. (b) Progress to be made in increasing the level of the Qualified Adult Allowance for pensioner spouses to the level of the old age (non-contributory) pension.	Level of Widow(er)'s pensions Level of the Qualified Adult Allowance for pensioner spouses relative to the level of the old age (non-contributory) pension	Department of Social and Family Affairs rates of welfare and Budget increases
D/SFA	(i) Child Benefit and Child Dependant Allowances to be set at 33%-35% of the minimum adult social welfare payment by 2007. (ii) The final phase of the planned multi-annual increases in Child Benefit to be completed in 2004 and 2005.	(i) Child Benefit and Child Dependent Allowances combined as per published social welfare rates. (ii) Level of Child Benefit payment	Department of Social and Family Affairs rates of welfare and Budget increases
D/ETE	The National Minimum Wage is to be adjusted to €7 per hour with effect from 1 February 2004	Level of the National Minimum Wage	Published rate of the National Minimum Wage

OBJECTIVE - FACILITATE ACCESS TO RESOURCES, RIGHTS, GOODS AND SERVICES FOR ALL

D/FINANCE	To the extent that there is any scope for personal tax reductions, progress will continue to be made towards removing those on the minimum wage from the tax net and moving towards the target where 80% of all earners pay tax at not more than the standard rate	The percentage of annualised equivalent of minimum wage free of tax	Budget
D/SFA	The Department of Social and Family Affairs is to review the contribution being made by the Department's income support system to people reconciling work and family life, the review to be completed not later than 2005.	Issues considered in Department's reviews.	
D/EH&LG	To ensure that housing supply is brought more into line with demand and that the housing requirements set out in the NDP (500,000 new units between 2000-2010) are achieved in a planned and coherent way.	Number of new home completions	ESB domestic electricity connections, house guarantee registrations and planning permission numbers
D/EH&LG	To deliver 41,500 local authority housing unit starts (including acquisitions) between 2000 and 2006.	Number of local authority housing units delivered and relative to increase in waiting list per year.	Returns to D/EHLG by local authorities detailing current and proposed projects, multi-annual actions plans 2000 – 2003 which aimed to achieve 25000 starts, and the triennial assessment of housing needs survey.
D/EH&LG	To deliver an appropriate mix of social and affordable housing measures which meets the needs of different types of households.	Number of households assessed as being in need of housing. Levels of social and affordable housing relative to total housing provision.	Multi Annual action plans, triennial assessment of housing needs survey, and reports from local authorities.

OBJECTIVE - FACILITATE ACCESS TO RESOURCES, RIGHTS, GOODS AND SERVICES FOR ALL

<p>D/H&C</p>	<p>To reduce the gap in premature mortality between the lowest and highest socio-economic groups by at least 10 per cent for circulatory diseases, cancers, injuries and poisoning by 2007.</p>	<p>The ratio of the directly standardised mortality rate in the lowest socio-economic group to the rate in the highest socio-economic group.</p>	<p>CSO data on mortality analysed by the Institute of Public Health (IPH) - Mortality Statistics from CSO not routinely disaggregated by socioeconomic group but 2002 statistics were analysed on this basis by IPH and a similar analysis is being carried out on 2003 statistics.</p> <p>Data available from various studies as referenced in the Report of the Working Group on the NAPS and Health e.g. All Ireland Report on Mortality 1989-1999; SLAN (Surveys of Lifestyles, Attitudes and Nutrition) 1998 and 2002</p>
<p>D/E&S</p>	<p>To halve the proportion of pupils with serious literacy difficulties by 2006</p>	<p>Literacy levels in schools</p>	<p>National assessments, OECD PISA survey and recent surveys of disadvantaged primary schools by the Educational Research Centre and the Department of Education and Science's Inspectorate</p>

OBJECTIVE - FACILITATE ACCESS TO RESOURCES, RIGHTS, GOODS AND SERVICES FOR ALL

<p>D/E&S</p>	<p>To reduce the proportion of adults aged 16-64 with restricted literacy to 10 to 20 per cent by 2007</p>	<p>Levels of participation in adult learning schemes. Proportion of adults with restricted literacy. (defined as falling below level 2 on the IALS scale or equivalent)</p>	<p>International Adult Literacy Survey conducted in 1995, published in 1997. This survey is unlikely to be repeated before 2008 at the earliest, with results published in 2010.</p> <p>QNHS Module on adult learning Q2 2003. The CSO propose to conduct a survey of participation by adults in education and training in late 2006 or 2007. This will improve the quality and scope of data on adult participation in education and training.</p>
<p>D/E&S</p>	<p>To reduce the number of young people who leave the school system early, so that the percentage of those who complete upper second level or equivalent will reach 85 per cent by 2003 and 90 per cent by 2006</p>	<p>Early school leaving rates / school retention rates</p>	<p>ESRI Annual Schools Leavers Survey NESF report on Early School Leavers 2002 D/E&S Statistical reports CSO: NQHS and Measuring Ireland's progress in 2004</p>

OBJECTIVE – TO PREVENT THE RISKS OF EXCLUSION

Department	Target	Indicator	Data
D/EH&LG	By end 2004, sufficient and appropriate emergency accommodation to be available to rough sleepers, in conjunction with appropriate outreach services to enable them to access it. This target is to apply to each local authority and health board area. At end 2003, progress in meeting the target will be reviewed and, if necessary, revised mechanisms put in place to achieve it.	No specific national indicators.	Triennial assessment of housing needs survey, information from HPU referral service, surveys carried out under the auspices of the homeless agency




OBJECTIVE – TO HELP THE MOST VULNERABLE

Department	Target	Indicator	Data
D/H&C	To reduce the gap in low birth weight rates between children from the lowest and highest socio-economic group by 10 per cent from the current level by 2007.	The level of low birth weights among the highest and lowest socio-economic groups based on the National Peri-natal Reporting System. (NPRS)	Data on low birth-weight by socio-economic group is collected through the National Peri-natal Reporting System (NPRS) managed on behalf of the Dept of Health and Children by the ESRI and are analysed by the Institute of Public Health.
D/H&C	By 2003 national guidelines will be put in place for the provision of respite care services to carers for older people	National guidelines for the provision of respite services to carers for older people in place	Published guidelines
D/H&C	Access to orthopaedic services will be improved so that no-one is waiting longer than 12 months for a hip replacement. This is an initial short-term action to improve quality of life for older people.	Number of people over 65 waiting longer than 12 months for a hip replacement.	The National Treatment Purchase Fund now has responsibility for the collection and reporting of waiting times nationally. A new, on-line, Patient Treatment Register is being developed by the Fund. The new Patient Treatment Register will allow for more accurate identification of waiting lists, and more importantly waiting times. It is intended that the register will be implemented on a phased basis during 2005.
D/EH&LG	By end 2007 ensure that adequate heating systems are in all local authority rented dwellings provided for older people	Number of new heating systems installed in local authority housing. [At the outset of the programme it was established that 45,000 local authority dwellings required heating facilities.]	Local authority applications

OBJECTIVE – TO HELP THE MOST VULNERABLE

D/E&S	Aim to increase participation by students with disabilities at Third Level to 1.8 per cent by 2006	Percentage of students with disabilities at Third Level	Association for Higher Education Access and Disability (AHEAD) Surveys.
D/H&C	Aim to improve access to planned respite care for carers of disabled people by 2003.	Percentage of carers of disabled people who have access to planned respite care	Levels of carers from Census. Levels of those on carers allowance and benefit. Places in respite care from D/Health and Children. Intellectual Disability Database Report DSFA Statistical Report
D/H&C	The gap in life expectancy between the Traveller Community and the whole population will be reduced by at least 10 per cent by 2007.	The difference in life expectancy at birth between the Traveller population and the whole population.	None – Being developed in the context of the Travellers' All-Ireland Health Study CSO mortality and population data for the whole population
D/E&S	Age appropriate placement of all Travellers in primary school will be achieved by 2003.	Number of Travellers at primary school	Enrolment of Traveller children at primary schools
D/E&S	The transfer rate of Travellers to post-primary schools will be increased to 95% by 2004.	Percentage of Travellers transferring from primary to post primary schools	Enrolment of Traveller children at post primary schools
D/E&S	Each third-level institution will double the participation by mature disadvantaged students, including Travellers and Refugees by 2006 (within the 15 per cent quota).	Disaggregated statistics related to the attendance of mature disadvantaged student including travellers and refugees in all third-level institutions	2002 Census Data on the Irish Traveller Community & Education HEA statistics on Higher Education Participation

OBJECTIVE – TO HELP THE MOST VULNERABLE

<p>D/EH&LG</p>	<p>All Travellers’ families identified in the local authority five-year Traveller accommodation programme process as being in need of accommodation will be appropriately accommodated by end 2004.</p>	<p>Local authority five-year traveller accommodation programme 2000 – 2004 identified a total of 3,785 accommodation units as being the current and projected needs and new programmes have been finalised by local authorities to cover 2005 – 2008. The level of Travellers accommodated relative to the targets.</p>	<p>Annual count of number of members of traveller community. The Annual Count of Traveller families is carried out by local authority officials on the last Friday in November every year. The Count is generally accepted as a reliable indicator of progress.</p>
<p>D/JE&LR</p>	<p>To foster public safety and preventing crime through better detection, use of approved youth diversion programmes and restorative schemes, optimum use of community-based sanctions and reducing the level of re-offending.</p>	<ul style="list-style-type: none"> • The existence of an economic and efficient Garda Juvenile Diversion Programme • Garda Youth Diversion Projects <ul style="list-style-type: none"> - A management system in place that ensures that objectives are met - Implementation of Guidelines by end 2006 - The number of participants - The percentage of participants that do not record a conviction within 3 years of participation • The number of offenders placed on community sanctions and other Probation and Welfare managed orders 	<p>Garda Youth Diversion Project database Probation and Welfare Service Statistics Other relevant statistics may be sourced from Annual Reports of;</p> <ul style="list-style-type: none">  The Courts Service;  An Garda Síochána and  the Irish Prison Service.
<p>D/CRAG</p>	<p>To ensure that the basic needs of all families, especially young parents, lone parents, older people, and ethnic minorities are met through enhanced and better co-ordinated State support services.</p>	<p>Review of Community and Local Development Structures - Number of grants issued to CDBs for improved cohesion plans</p>	

OBJECTIVE – TO HELP THE MOST VULNERABLE

D/TRANSPORT	To improve transport services to rural dwellers through a combination of State support and community-based provision.	<ul style="list-style-type: none"> - Number of rural transport groups being funded. - Numbers using the service. - Levels of funding. 	RTI project groups report to ADM on a monthly basis and ADM updates D. Transport on a regular basis. ADM also produce newsletters which are published on the ADM website
D/CRAG	To improve access to employment, health, education and housing services for rural dwellers.	<ul style="list-style-type: none"> • Potential to create additional jobs through improved productivity and delivery of services, and actual jobs created • Improved health services, • Improved living conditions 	<ul style="list-style-type: none"> • Reports from Comhar LEADER na hEireann • Reports from Western Development Commission • Data provided through projects proposed and claims for expenditure from D/H&C • Data provided through applications approved and subsequent claims for expenditure from grantees

Appendix 2 - Social and Equality Indicators¹⁸

Department of Health and Children

- Birth rates per 1,000 population
- Total period fertility rates
- Percentage of live births to females aged 15-19 per 1,000 population
- Fertility rates - All data to be gender disaggregated and available by county, region (BMW/SAE) as well as at national level
- Children in care - Rate per 10,000 children under 18 by type of care (this is a census - i.e. point in time figure)
- Crude death rate
- Percentage distribution of deaths by principal cause
- Adults on in-patient waiting lists >12 mths for various specialities
- Children on in-patient waiting lists >6 mths
- Number of individuals presenting with para-suicide in Accident and Emergency Departments per 100,000 population
- Birth Weight by socio-economic status of parents
- Percentage of Caesarian births
- New cases of HIV per 100,000 population by route of transmission
- New cases of AIDS per 100,000 population by route of transmission
- Rate of new longstay mental health inpatients per 100,000 population and rate of new longstay
- Mental health clients in community settings per 100,000 population
- The number of patients, over 65 years on the waiting list for (a) Cataract surgery (b) ENT surgery (c) Orthopaedic surgery. The number of cataract procedures completed on (a) a day case basis (b) an in-patient basis
- Percentage of new patients seen in Out-Patient Department within 13 weeks of referral by GP H Waiting times in Out-Patient Department (% seen in under 60 minutes)
- Number of children who appeared to the Health Boards to be homeless
- Age specific injury mortality in 0-19 age group
- Suicide rate per 100,000 of population by gender, age and county of residence
- Number and outcome of abuse cases (2 tables - (i) outcome of cases reporting in current year (ii) outcomes on cases which were on-going from previous year)

¹⁸ Adapted from *NSB (2003) Developing Irish Social and Equality Statistics to meet Policy Needs – Appendix E*. The full report can be found at <http://www.nsb.ie/publications/Developing%20IrishSocial&EqualityStatstoMeetPolicyNeeds.pdf>.

Department of Agriculture and Food

- Total employment/unemployment/labour force
- GDP per capita
- GNP per capita
- Consumer Price Index
- Personal Consumption Expenditure for Ireland
- Population: urban, rural & total
- Population density
- Migratory balance, urban, rural, total
- Total household income and its components for farm, urban and other rural households
- Regional convergence in living standards
- No. of farmers
- No. of part-time farmers
- Average income per farm (farm income only)
- Average income per family work unit
- Average direct payment per farm
- Distribution of farm support direct payments by deciles of FFI

Department of Enterprise, Trade and Employment

- Employment Rate (ILO)
- Labour Force Participation Rate (ILO)
- Unemployment Rate (ILO)
- Long-term Unemployment Rate
- Live Register (Unadjusted and seasonally adjusted figures)
- Earnings
- Work Permits

Department of Social and Family Affairs

- Number of people in consistent poverty
- Number of people below 60% median relative income line
- Numbers in deprivation (using the ESRI index)
- Numbers persistently on low income
- Social expenditure and pensions expenditure as % of GDP and GNP
- Average Weekly Household Equivalent Income
- Risk of poverty for people aged 60+, 65+ and 75+ (men/women/total, by household type, by home ownership)
- Demographic old age dependency ratio (current and projected): number of persons aged 60/65+ in relation to working age population
- Number of under-age pregnancies

Department of Social and Family Affairs (cont.)

- No. of persons aged 15 or over providing unpaid personal help for someone with a long term illness, health problem or disability, including problems due to old age (Census 2002)
- Number of children in care: Numbers below thresholds (40%/50%/60%, mean/median)
- Income at the Nth percentile, and the ratio between this and average incomes
- Numbers lacking basket of necessities; lacking particular necessities; lacking access to particular essential services
- Numbers in debt; numbers with self-reported financial difficulties
- % of people aged 60/65/75+ living alone (men/women/total)
- Risk of poverty for people whose main activity status is retired (men/women/total)
- income of people aged 60+, 65+ and 75+ relative to complementary groups and people aged 45-54 (men/women/total, by household type)

Department of Education and Science

- Education Profile of Population: Highest level of education achieved among the population by gender, age group, SES status, employment status, labour market participation, ethnicity, region, etc.
- Highest level of education achieved among the population by field of study
- Pupil Teacher Ratio in primary schools nationally and in schools with a high concentration of at-risk pupils, by standard (i.e. class level)
- Data on the transfer rate from second level to third level education (i.e. % of School Leavers going to 3rd level)
- Number and proportion of young people who complete upper second level or equivalent (NAPS)
- Pupil Teacher Ratio in second-level schools nationally and in schools with a high concentration of at risk pupils
- Number of places and numbers participating in further and continuing education & training
- Average class size in primary schools nationally and in schools with a high concentration of at-risk pupils, by standard (i.e. class level)
- Expenditure on education as a proportion of GDP/GNP, with comparative international data
- Percentage of adults (16-65 years) at each of five proficiency levels in prose literacy, quantitative literacy and documents literacy, disaggregated by age (range), gender, socio-economic status (employment), location, ethnicity and 'native' vs. 'foreign born', with comparative international data. (IALS 1994)
- Number and proportion of untrained teachers in schools and the number of teachers qualified in the subject areas in which they are teaching

Department of Education and Science (cont.)

- Number of 18-24 year olds with only lower secondary level education who are not in further education and training
- Second Level Destination data, including point of drop-out data
- Average class size in second-level schools nationally and in schools with a high concentration of at risk pupils
- Third level graduates by gender, age, SES status, country of origin, level of award, field of study
- Expenditure by companies on training
- Projections of future enrolment at all levels of the education system

Department of Community, Rural and Gaeltacht Affairs

- The percentage of lone parents
- The age dependency rate
- The proportion of permanent private households which are Local Authority rented
- First Treatment Demand
- Drug related offences
- ESPAD survey of illicit drug use among school children
- The % of those at work engaged in small farming (under 30 acres)
- The proportion of households with two or more cars

Department of Justice, Equality & Law Reform

- Number of applications for asylum
- Nationality of asylum seekers
- 3% Target for Employment of People with Disabilities in the Public Service
- Number of prisoners on remand
- Number of overall committals in a year
- Number of asylum seekers missing from Reception Centres by nationality
- Deportation statistics (asylum seekers)
- Details of asylum seekers granted refugee status

Department of Environment, Heritage and Local Government

- Assessment of Social Housing Needs
- Data on Greenhouse Gas Emissions - EPA - To provide an assessment on the environment in Ireland through the use of key environmental indicators
- Data on water quality - EPA
- % of population on the Live Register
- Location and brief description of dwelling/building affected by fire

Department of Environment, Heritage and Local Government (cont.)

- Affordability Index
- Housing Activity, aggregate house (private, social and affordable) completions classified by area, new house guarantee registrations, new houses completed by type
- Profile of borrowers, previous tenure of borrowers, marital status of borrowers, ranges of income of borrowers, occupation of borrowers
- Traveller families in local authority assisted accommodation, on the roadside or other private accommodation
- Data on Household and Commercial Waste
- Data on bathing water quality
- Vehicle Owner/Driver/Pedestrian

Appendix 3 - Poverty Data for Ireland

This Appendix is extracted from Annex 1 of the NAP/inclusion 2003-2005, updated to take account of the results of the new EU-SILC survey (Survey of Income and Living Conditions) for Ireland. It should be noted that methodological differences between the new EU-SILC survey and the earlier Living in Ireland Survey (LIIS) resulted in a major discontinuity between the two surveys in the measurement of deprivation and consistent poverty. As a consequence of this, it is not possible to draw conclusions from the EU-SILC findings regarding the direction or scale of any real changes in consistent poverty between 2001 and later years.

1. Consistent Poverty Rates

Table 1.1 – Percentage of households in consistent poverty

	LIIS 1998	LIIS 2000	LIIS 2001	SILC 2003	SILC 2004
Less than 40% of threshold	3.4	2.7	2.5	4.1	3.1
Less than 50% of threshold	6.0	4.5	4.1	7.9	6.7
Less than 60% of threshold	8.0	5.8	5.2	11.5	10.0

Source: CSO Statistical Release on EU-SILC (Ref 220/2005).

Based on mean income threshold and using the national equivalence scale.

Table 1.2 – Percentage of persons in consistent poverty

	LIIS 1998	LIIS 2000	LIIS 2001	SILC 2003	SILC 2004
Less than 50% of threshold	3.6	2.7	2.9	5.3	3.9
Less than 60% of threshold	6.0	4.3	4.1	8.8	6.8
Less than 70% of threshold	7.7	5.4	4.9	11.1	9.6

Source: CSO Statistical Release on EU-SILC (Ref 220/2005).

Based on median income threshold and using the national equivalence scale.

Table 1.3 - Percentage of persons below 60% of Median Income and experiencing consistent poverty - by gender, age, household type or by labour force status

	2003 (%)	2004 (%)
Overall	8.8	6.8
Men	8.3	6.2
Women	9.3	7.4
Children 0-14	12.2	9.5
Elderly 65+	5.8	3.3
Adults 15-64	8.3	6.5
At Work	2.6	1.8
Unemployed	28.3	19.2
Student	11.5	8.7
Home Duties	12.2	9.6
Retired	5.7	3.7
Ill/Disabled	22.4	21.7
Single adult, no children	12.8	9.9
2 adult, no children	6.3	4.7
3+ adult, no children	4.5	3.5
1 adult with children	33.6	31.1
2 adults with 1-3 children	5.9	4.7
Other h'holds with children	13.7	9.6

Source: CSO – EU-SILC.

2. “At Risk of Poverty” rates

Table 2.1 Percentage of persons below 60% of median income by age, household type or by labour force status; ‘At risk of Poverty’ gap

	1998 (%)	2000 (%)	2001 (%)	2003 (%)	2004 (%)
Overall	19.8	20.9	21.9	19.7	19.4
‘At risk of poverty’ gap	16.7	19.3	20.7	21.5	19.8
Men	15.9	17.3	19.4	18.9	18.0
Women	21.2	22.3	23.2	20.4	20.8
Children*	22.6	23.7	23.4	21.0	21.2
Elderly	32.9	38.4	44.1	29.8	27.1
Adults	15.9	16.4	17.1	17.6	17.6
Employee	2.6	6.5	8.1	n/a	n/a
Unemployed	58.8	57.1	44.7	n/a	n/a
Single adult	50.1	47.7	46.8	40.4	35.7
Lone parents	44.9	46.5	42.9	49.3	48.3

Source: 1998–2001 figures – ESRI – Monitoring Poverty Trends in Ireland, December 2003. 2003-2004 figures - CSO EU-SILC.

* Children in LIIS classification are defined as aged 0-17, EU- SILC definition is 0-14
Adults in LIIS classification are defined as aged 18-64, EU- SILC definition is 15-64

3. Indicators

Table 3.1: EU Common ‘Laeken’ Income Indicators for Poverty and Social Exclusion

This table sets out a number of different Laeken Indicators, using data for Ireland and the EU-15 for 1999, 2001 and 2003. Each of these indicators represents a different element of the overall poverty situation. Differences between survey methods and between EU and Irish data should be noted. Note: This table to be updated with EU-SILC results for 2004 for Ireland and other Member States.

INCOME INDICATORS	1999		2001		2003 ¹⁹
	Ireland	EU 15 average	Ireland	EU 15 average	Ireland
At-risk-of-poverty rate ²⁰					
- After social transfers (60% threshold)	18	15	21	15	21.3
- Before social transfers (income including pensions)	30	24	30	24	33.9
- Before social transfers (income excluding pensions)	37	40	36	24	38.8
- 40% threshold	4	5	5	5	6.3
- 50% threshold	11	9	15	15	12.2
- 70% threshold	28	23	29	23	30.4
At-risk-of poverty threshold					
One adult household	6,721	7,263	7,934	8,253	10,818
2 adults – 2 children household	14,114	15,252	16,662	17,332	22,718
Relative median at risk of poverty gap (%)	21	22	24	22	20.8
Persistent risk of poverty rate % (60% threshold)	12	9	13	9	N/A ²¹
Persistent risk of poverty rate % (50% threshold)	5	4	N/A	N/A	N/A
At risk of poverty rate anchored at 1996 for 1999 and at 1998 for 2001(%)	10	14	13	12	N/A
Income distribution (income quintile share ratio)	4.9	4.6	4.5	4.4	4.7
Gini coefficient (%)	32	29	29	28	29.3

Sources:

1999 – Eurostat

2003 – CSO, EU-SILC.

2001 – Statistical Annex to the Joint Inclusion Report 2003.

¹⁹ No 2003 average for EU yet available

²⁰ Based on EU definition of Median Income and using modified OECD equivalence scale.

²¹ The persistent risk of poverty rate is unavailable for 2003, as the calculation of this indicator requires 4 years data.

Table 3.2 - Deprivation Indicators used in determining Irish Consistent Poverty measure

8 Basic Lifestyle Deprivation Indicators	
1.	New not second-hand clothes
2.	A meal with meat, fish or chicken every second day
3.	Had to go without heating during the last year through lack of money*
4.	Experienced debt problems arising from ordinary living expenses or availed of charity*
5.	A warm waterproof overcoat
6.	Two pairs of strong shoes
7.	A roast or its equivalent once a week
8.	Had day in the last two weeks without a substantial meal*

* Presence rather than absence constitutes deprivation

Table 3.3 - Trend in Percentage of persons Lacking Basic Deprivation Items

Item Lacked	1994	1997	2000	2001	2003	2004
Meal with meat, chicken or fish	5.0%	1.9%	1.0%	0.9%	3.1%	3.7%
Warm Waterproof Overcoat	7.0%	3.2%	0.9%	0.6%	3.2%	2.7%
Two pairs of strong shoes	8.2%	5.2%	1.0%	1.2%	4.6%	3.8%
Roast once a week	8.1%	4.7%	1.9%	0.9%	5.0%	4.5%
New not second hand clothes	9.6%	7.7%	3.3%	2.6%	5.4%	5.8%
No substantial meal in past two weeks	4.2%	1.7%	1.0%	0.9%	8.4%	5.2%
Without heating in past year	9.2%	2.4%	1.8%	1.2%	7.6%	5.4%
Debt problems	17.9%	10.3%	5.6%	6.0%	9.7%	8.7%

Source: 1994-2001 - ESRI; 2003-2004 - CSO.

Appendix 4 - List of useful web sites

This is a list of some websites which are particularly useful for policy makers carrying out poverty impact assessment:

Central Statistics Office: www.cso.ie

Includes data on, for example, housing, education, labour market, earnings. Data from the census and the household budget survey as well as EU-SILC results are also available on this website.

Combat Poverty Agency: www.cpa.ie

Includes information on poverty in Ireland, a variety of CPA publications, details of the CPA's work, a search facility of its library catalogue.

Economic and Social Research Institute: www.esri.ie

Includes details of its current research projects, publication lists (including summaries of each publication) and

Equality Authority: www.equality.ie

Equality Authority publications such as "*Disability and Social Inclusion in Ireland*" and "*Disability and Labour Market Participation*" are available on this site.

Irish Government: www.irlgov.ie

Links to all government departments and state agencies.

Office for Social Inclusion: www.socialinclusion.ie

Includes information on the work of the OSI, poverty information and various publications. These guidelines for Poverty Impact Assessment will also be available on the site and will be updated from time to time, in particular worked examples will be added as they become available.

National Economic and Social Council: www.nesc.ie

NESC publications such as "*Housing in Ireland: Performance and Policy*" and the "*Review of the Poverty Proofing Process*" are available on this website.

National Economic and Social Forum: www.nesf.ie

NESF publications such as "*Labour Market Issues for Older Workers*" and "*Equity of Access to Hospital Care*" are available on this site.

National Statistics Board: www.nsb.ie

NSB publications such as "*Best Practice Guidelines for the Development and Implementation of formal Data/Statistics Strategies in Government Departments*"; and "*Statistical Potential of Administrative Records An Examination of Data Holdings in Six Government Departments Working Report*" are available on this site.

Appendix 5 - Worked Examples of Poverty Impact Assessment

The example below was developed by the OSI to show how the new guidelines for Poverty Impact Assessment can be used in practice. It draws on an actual poverty proofing exercise of the Social Welfare elements of the 2006 Budget which was performed using the existing poverty proofing guidelines. Further examples will be included as they become available. For explanation purposes the information provided in this example is in some cases more than would be provided in an actual PIA. Also, again for explanation purposes, text is duplicated in some areas.

Example 1 - Poverty Impact Assessment of the main elements of the Social Welfare Package in Budget 2006

Background to proposal (*Background will not normally be required*)

The 2006 Social Welfare budget package is based on objectives agreed in a number of documents including the *Programme for Government*, the social partnership agreement *Sustaining Progress*, the revised National Anti-Poverty Strategy (NAPS) and the National Action Plan against poverty and social exclusion 2003-2005 (NAP/inclusion). The overall aims of the package include:

- To increase or maintain the value of all rates of payment in real terms; to give additional increases to the lowest payment rates and to carers allowance;
- To continue to increase pensions in line with the Programme for Government commitment to increase the state pension to €200 by 2007;
- To make progress towards the NAPS target of €150 per week in 2002 terms for the lowest rates;
- To maintain the real value of Qualified Adult Allowance rates of payment and to ensure that they do not fall as a proportion of the associated personal rate;
- To tackle fuel poverty by providing increases in the rate of Fuel Allowance;
- To provide real increases in income support for all families, but especially for those most at risk of poverty;
- To ensure that the return from low-income employment remains positive through improvements in the Family Income Supplement income limits and disregards in other schemes.

The **main elements** of the Budget package, which are considered in the poverty impact assessment, are as follows:

- **Increases in Weekly Payments** - personal and qualified adult allowance rates of social welfare payments:
 - Personal weekly rates of Carers Allowance increased by €30.20 for recipients aged 66 and over and €26.40 if under 66; €16.00 increase for non-contributory pensioners aged 66 and over and €14.00 increase for

contributory pensioners aged 66 and over; €17.00 increase for all other recipients under age 66, with proportionate increases for persons receiving reduced rates of payment.

- Qualified Adult Allowance increases of €9.30 per week for Old Age Contributory Pension and Retirement Pension, €12.10 for Invalidity Pension, where qualified adult is under 66; increases of €10.80 per week for Old Age Contributory Pension, Retirement Pension and Invalidity Pension, where qualified adult is over 66; €10.60 increase for Old Age non-contributory Pension qualified adults regardless of age, and Blind Person Pension qualified adults over age 66; increases of €1.30 for all other qualified adults, with proportionate increases for qualified adults where a reduced rate of payment is being made.
- **Increases in monthly Child Benefit (CB) rates**, with increase of €8.40 for first and second child and €7.70 for subsequent children.
- **Increase in Family Income Supplement (FIS) earnings thresholds**, by amounts ranging from €19 to €282 per week depending on family size.

STAGE 1 - Screening – This will inform the policy maker as to whether or not it is necessary to carry out a full poverty impact assessment.

Screening Tool

Is the policy, programme or proposal significant in terms of:	YES	NO	POSSIBLY
Overall National/Departmental Policy	Y		
The level of expenditure involved <i>(Explanation:</i> <ul style="list-style-type: none"> • Increase over 2005 social welfare expenditure amount of €1.12 billion; • Total 2006 social welfare expenditure will be €13.5 billion.) 	Y		
The change it will bring about in an existing policy or procedure <i>(Explanation:</i> <ul style="list-style-type: none"> • Introduction of a single scheme for all non-contributory recipients over age 66; • Significant increase in means disregard for non-contributory pensions; • New FIS income thresholds will concentrate additional resources on larger families.) 	Y		
Its relevance to some or all of the groups identified in the National Action Plan against Poverty and Social Exclusion as vulnerable groups, namely*: <ul style="list-style-type: none"> • Women • Children and young people • Older people • People with disabilities • Members of the travelling community • Prisoners and ex-prisoners • People experiencing rural disadvantage • People experiencing urban poverty • Migrants • Ethnic minorities <i>^ Package will impact on members of each of these groups who are receiving social welfare payments or</i>	Y^ Y Y Y Y Y Y Y Y Y Y		

<p><i>are in families with low-income employment.</i></p> <p>Also need to consider potential impacts on Inequalities which may lead to poverty.</p>	<p>Y</p>		
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*It should be noted that the extent and composition of these groups may change over time and so the focus of poverty impact assessment may change over the life time of the next round of the NAP/inclusion process.

If the answer is **NO** in **all** cases then it is not necessary to carry out a full poverty impact assessment. In that case the summary sheet should be completed and returned to the Departmental social inclusion liaison officer, or directly to the Office for Social Inclusion if there is no liaison officer.

If the answer is **YES** or **POSSIBLY** to **any** of the above a full poverty impact assessment should be carried out following the steps outlined in Stage 2.

STAGE 2	Full Poverty Impact Assessment
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Step 1: Consultation

A pre-Budget consultation process was undertaken, whereby organisations and individuals were invited to make written submissions regarding the content of the social welfare Budget package. In addition the Minister for Social and Family Affairs hosted a pre-Budget Forum meeting on 17 October 2005, where some 30 organisations, including voluntary and community groups in the social welfare area, were invited to give their views on the forthcoming Budget. On the afternoon of the Budget itself on 7 December a large number of organisations will attend a post-Budget briefing to be hosted by the Department of Social and Family Affairs. Given the nature of this proposal, consideration of the likely impacts on poverty of the different elements of the Budget package formed an inherent part of the consultation process.

Step 2: Define Policy Aims and Target Groups**2.1 What is the primary objective of this policy / programme / expenditure proposal?*****Weekly Payments element:***

- *To increase or maintain the value of all payment rates in real terms, providing additional increases to persons on lowest rates, to recipients of carers allowance and to non-contributory pensioners, and to ensure that the QAA rates of payment do not fall as a proportion of the personal rate;*
- *To continue to increase pensions in line with the Programme for Government commitment to increase the state pension to €200 by 2007;*
- *To make progress towards the NAPS target of €150 per week in 2002 terms for the lowest rates*
- *To make significant improvements to means test thresholds, thereby increasing employment incentives.*

Child Benefit increases:

- *To provide real increases in income support for all families, but especially for those most at risk of poverty, in such a way that it is not dependent on the parents' income or labour market status.*

Increase in FIS earnings thresholds:

- *To ensure that the return from low-income employment for those with families remains positive, through improvements in FIS income limits;*
- *To give proportionately greater increases to families with more children, thereby tackling the higher susceptibility to poverty of such families.*

2.2 Who are the target groups and how will the proposal reach those groups?

Weekly payments element:

- *Groups such as the unemployed, people with disabilities and the elderly form particular target groups for the proposal, with all recognised in the NAP/inclusion as being particularly vulnerable to poverty. Proposal also targets carers and qualified adults, usually women, in welfare-dependent households.*

Child Benefit increases:

- *Given that the risk of poverty is higher for children than for adults, Child Benefit, which is paid specifically in respect of children, is an effective way of reaching this target group.*

Increase in FIS earnings thresholds:

- *Low-income families with children will benefit from increase in earnings thresholds, with proportionately greater increases for larger families.*

2.3 What are the differences within the target group/between the target groups which might lead to them benefiting from the policy/programme in different ways and how could these be addressed?

- *All recipients of social welfare payments will benefit from Budget increases. Larger families, who are more at risk of poverty, will benefit proportionately more;*
- *Non-contributory pensioners will receive higher increases than contributory pensioners, recognising that non contributory pensioners generally have less private means;*
- *Significant payment increases made to carers in recognition of the role they play;*
- *Increase in upper income limit for one parent family payment is designed to lead to increased labour force participation rates.*

Step 3: Consider Available Data and Research

Primary quantitative data used during this assessment was available in the Department's data holdings on social welfare claimants, dependants and beneficiaries.

The ESRI's SWITCH model was used to measure the impact of the proposed Budget changes on actual household incomes. This analysis concluded the following:

- *The Budget changes will result in a net transfer of disposable income to the household sector of €998.1 million, an average increase for all households of 1.4%;*
- *The increase is highly progressive in terms of its distributional impact: 52.5% of the change in disposable income resulting from the Budget proposals will go to those in the bottom three deciles, while 81.0% will go to the bottom half of the income distribution;*
- *The proposals will result in a fall in the numbers below each of the 40%, 50% and 60% relative income poverty lines (median equivalised disposable income) by 3.0, 3.3 and 1.5 percentage points respectively. (Actual changes in both the 'at risk of poverty' and 'consistent poverty' rates during 2006 will not be known until the results of the EU-SILC survey for that year are available, likely to be in October 2007 approximately).*

It is calculated that changes in the FIS earnings thresholds mean that approximately 5,000 additional families will become eligible for a FIS payment.

Elements of the Budget package are linked to explicit targets contained in the NAP/inclusion, i.e., targets relating to the lowest levels of social welfare payment, to pension levels and to levels of child income support. Indicators to measure progress against these targets are the relevant social welfare rates.

Step 4: Assess Impacts and Consider Alternatives**4.1 What type of impact on poverty (either in terms of numbers in poverty or level of poverty) would the proposal have, in particular for each of the vulnerable groups listed in the table?**

Vulnerable Group (as identified in the current NAP/inclusion)	Likely impact of the programme/project in terms of poverty		
	None See Q.4.2	Positive [^] See Q.4.3	Negative See Q.4.4
Women		*	
Children and Young People		*	
Older people		*	
People with disabilities		*	
Members of Travelling community		*	
Prisoners and ex-prisoners		*	
People experiencing rural disadvantage		*	
People experiencing urban poverty		*	
Migrants		*	
Ethnic minorities		*	
Others: (please specify)			
<i>Carers</i>		*	
<i>Families with children in low-income employment</i>		*	

[^] Package will impact on members of each of these groups who are receiving social welfare payments or are in families with low-income employment.

4.2 If the proposal would have no effect on poverty what options might be identified to produce a positive effect?

Not Applicable

4.3 If the proposal would have a positive effect would it help to prevent people falling into poverty; reduce the level (in terms of numbers and depth) of poverty and/or ameliorate the effects of poverty?

Explain how these positive effects are achieved and consider how the position could be improved upon.

- *Some 955,000 claimants and 470,000 dependants will benefit from increases in weekly social welfare rates. Child benefit increases will benefit some 540,000 families with 1,088,000 children.*
- *SWITCH model analysis of the proposals show that they will result in a fall in the numbers below each of the 40%, 50% and 60% relative income poverty lines (median equivalised disposable income) by 3.0, 3.3 and 1.5 percentage points respectively.*
- *The Budget increase is highly progressive in terms of its distributional impact: 52.5% of the change in disposable income resulting from the Budget proposals will go to those in the bottom three deciles, while 81.0% will go to the bottom half of the income distribution;*
- *The budget will increase social welfare payments by almost 4 times the expected rate of inflation. The increases, €17 in the lower rates of payment and €14 in higher rates, will also be greater than the expected increase in gross average industrial earnings. In real terms, therefore, social welfare recipients will see an improvement in their relative position in terms of income.*
- *The increases in the FIS earnings thresholds are designed to maintain the incentive to remain in employment in circumstances where an employee might be only marginally better off than if he or she were claiming other social welfare payments. Preserving this incentive is important as it is acknowledged that having a job is the best route out of poverty and social exclusion. The changes will make over 5,000 additional families eligible for FIS and, depending on family size, weekly increases for existing recipients will range from €11 to €169, with proportionately greater increases for larger families.*
- *The Budget package contains a range of other employment incentive and activation measures designed to move people from full dependence on social welfare payments and into work. These include: tapered withdrawal rates for disability allowance and blind pension; reductions in the qualifying periods for access to the back to work allowance; tapered withdrawal of earnings for persons receiving rent and mortgage interest supplement; and an increase in the spouse's income disregard for entitlement to qualified adult allowance.*
- *The increases in CB payments and in the FIS earnings thresholds form part of a wider package to combat child poverty, it being recognised that children who grow up in disadvantaged households are more likely to do poorly at school, to struggle to find a job, and to be unemployed, sick or disabled when they become adults, precipitating an inter-generational cycle of disadvantage and deprivation. The Budget package, which also includes improvements in the Back to School Clothing and Footwear Allowance and the School Meals programme, aims to help break this cycle.*

- *The Budget announced no changes in the rates of Child Dependant Allowance (CDA) payments, as the National Economic and Social Council is currently working on proposals for merging FIS and CDAs into a second tier child income support payment, which would avoid the employment disincentive inherent in CDA. The issue of the second tier payment will be further progressed during 2006.*

4.4 If the proposal would have a negative effect (e.g., by increasing the numbers in poverty or the level of poverty experienced) what options could be considered to ameliorate this effect?

Not applicable

4.5 Would the policy/programme/proposal contribute to the achievement of the NAP/inclusion targets (including the subsidiary targets)?

If it does contribute to the achievement of the targets, explain how this is the case and consider whether the position can be improved further. If it does not, consider whether anything can be done to reverse the position. In this regard, consideration should be given as to whether the programme is specifically aimed at groups experiencing poverty or at risk of poverty, i.e., whether it is intended as an anti-poverty measure. The NAP/inclusion targets are listed in the NAP/inclusion summary table at Appendix 1.

- *The Budget elements covered by this assessment are intended as an anti-poverty measure. The levels of increase in weekly payment amounts bring closer two specific targets in the NAP/inclusion, viz. (i) To achieve a rate of €150 per week in 2002 terms for the lowest rates of social welfare by 2007, and (ii) Social welfare pensions to be improved to reach a target level of €200 by 2007. Increases in CB rates mean that the NAP/inclusion target for CB and CDAs to be set at 33% - 35% of the minimum adult social welfare payment by 2007 is still on course.*
- *The Budget increases in real levels of social welfare payments are considered likely to result in a further reduction in the numbers who are consistently poor (which fell from 8.8% of the population in 2003 to 6.8% in 2004). (However, for methodological reasons, it will not be possible to precisely determine progress against the existing NAP/inclusion 'consistent poverty' target, of reducing the number of consistently poor to 2% by 2007 or of eliminating it completely. Targets to be included in the new NAP/inclusion 2006-2008 will be based on figures from the new EU-SILC survey).*
- *The child income support elements of the Budget, by improving the situation of children in disadvantaged households, are also considered to have a longer-term positive impact on other targets in the NAP/inclusion, including those relating to education (children with serious literacy difficulties; early school-leavers) and health (premature mortality rates).*
- *The back to work and back to education scheme changes introduced in the Budget should result in an increase in participation in education and employment by social*

welfare recipients, impacting positively on the employment and education targets in the NAP/inclusion.

4.6 Would the programme/policy/proposal address the inequalities which may lead to poverty?

The relationship between poverty and inequality is quite a complex one (see also Section 3.3). Equality legislation in Ireland recognises that inequality can occur under any of the following headings (“the nine grounds”): gender, family status, marital status, age, disability, sexual orientation, race, religion, and membership of the Traveller community.

Consideration should be given to whether the programme or policy has a particular relevance to people in any of these categories and whether there is a need for the programme/policy to focus on people in any of the categories in its design or delivery.

- *The increase from €88.88 to €100 in the income threshold for entitlement to full Qualified Adult Allowance will benefit those qualified adults, who are mainly women, in welfare-dependent households. Women will also be the main beneficiaries of the significant increase in the rate of carer’s allowance.*
- *The increases in CB rates will benefit families with children, who have greater income needs than single people or couples without children. The increases in the FIS earnings thresholds will also benefit families with children, with larger families benefiting proportionately more.*
- *The significant increase in the weekly payment rates for carers is part of a package designed to provide a comprehensive and sustainable system of community services and supports for people who need care.*
- *The introduction of tapered withdrawal rates for disability allowance and blind pension will provide a greater incentive for disabled persons to engage in rehabilitative employment or self-employment.*

Step 5: Make Decision and Arrange Monitoring**5.1 Will this proposal be adopted?**

When the impacts of the proposed options have been assessed and alternatives considered to counteract any negative effects have been identified a decision can then be made as to whether or not to proceed with the policy or programme.

Yes. Increases in weekly payment rates and FIS earnings thresholds will take place from January 2006. Increases in child benefit will take place from April 2006. Improvements in means disregards will take place from September 2006.

5.2 If the proposal is to be adopted, how will its impact on poverty be monitored?

A system should be devised and implemented in order to monitor whether (and to what extent) the expected impact is actually occurring. The indicators against which progress will be monitored should be specified here. This section should also make clear which office/unit will be responsible for the monitoring. The frequency with which the indicators will be monitored should also be noted.

If a programme or policy is being put in place to counteract any negative impacts resulting from the original programme it should also be monitored and details of how that will be undertaken should also be included here.

- *Monitoring of progress against expected impacts will be reported upon by the Budget & Estimates section of the Department's Planning Unit. Monitoring of take-up of FIS as a result of the increase in the earnings thresholds will be reported upon by the Child Income Support section of the Planning Unit.*
- *Monitoring of the impacts of the package on poverty (using indicators including 'at risk of poverty', consistent poverty, persistent poverty and the 'poverty gap'), and on progress towards achievement of the NAP/inclusion targets, will be performed by the Budget & Estimates section, in conjunction with the Office for Social Inclusion, by reference to the results of the annual EU-SILC survey and to other statistical surveys.*

Step 6: Publish Results

In order for the process of poverty impact assessment to be transparent it is important that not just the results of the assessment but also details as to how decisions were reached (and the data on which they were based) are made available where this is possible, and subject to requirements such as those relating to cabinet confidentiality.

If the poverty impact assessment relates to a published report such as an expenditure review then the analysis should be published as part of that document. Alternatively, the information could be made available on the organisation's website.

Include here on reporting of results

Step 7: Return Summary Sheet to Social Inclusion Liaison Officer

When these steps have been completed the summary sheet below should be completed and returned to the department's social inclusion liaison officer who will in turn forward a copy to the Office for Social Inclusion (OSI). If there is no liaison officer a copy should be sent direct to the OSI.

The OSI will use these summary sheets for statistical purposes and random selections will be made periodically in order to monitor progress and identify examples of best practice. The OSI will provide updates regarding poverty impact assessment to the Social Inclusion Consultative Group which is made up of representatives of the social partners.

Poverty Impact Assessment - Summary Sheet

Where a policy has been screened and it has been decided that it is not necessary to carry out a full poverty impact assessment, or where a full poverty impact assessment has been carried out, this summary sheet should be completed and returned to your department's social inclusion liaison officer. If there is no liaison officer a copy of this sheet should be sent direct to the Office for Social Inclusion.

Department Name: *Social & Family Affairs*

Programme/Policy Title: *Social Welfare Budget Package 2006*

Date of implementation: *Budget announced 7 December 2005*

Brief description of programme/policy (please specify the target group):

- *Increases in all Social Welfare weekly payments (implementation January 2006), in monthly Child Benefit payments (implementation April 2006) and in earnings thresholds for Family Income Supplement (implementation January 2006).*
- *Target group – recipients of social welfare payments, and low-income families eligible for FIS as a result of changes in earnings thresholds.*

Date poverty impact assessment was carried out: *Full poverty impact assessment completed 5 December 2005*

Stage at which poverty impact assessment was carried out (e.g. design, review): *Design*

Brief summary of results: (If a full poverty impact assessment was not carried out, please refer to the results of the screening stage.)

- *By providing increases in Social Welfare payment rates well in excess of inflation the Budget package will have positive impacts on poverty alleviation for recipients and move towards achievement of the key income maintenance targets in the National Action Plan against poverty and social exclusion. The package will be highly progressive in terms of its redistributive impact.*
- *It is expected that the measures in relation to children and families on low income will positively impact on child poverty and maintain the incentive to remain in employment.*

If these results were published please specify where they are available. If they were not published, please explain why. Specify here.

Contact Information:

Name: *Name*
Address: *Address*
Telephone Number *Telephone* **Email address:** *Email*

Signed: *Signed* **Date:** *6 December 2005*

Note to Social Inclusion Liaison Officer: Please keep the original summary sheet and send a copy to the Office for Social Inclusion, Floor 5, AMD, Store Street, Dublin 1