

<p>Poverty Impact Assessment of the Supplementary Welfare Allowance Scheme</p>

Introduction

Poverty Impact Assessment is 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.

Screening Tool

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:			
• 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	√		

Step 1: Consultation

As part of the consultation process for this review submissions were invited from all Health Board personnel, from Chief Executive Officer to Community Welfare Officer, involved in the operation of the supplementary welfare allowance scheme; the Department's management; other Departments, statutory bodies and agencies; and other relevant groups. This amounted to some 2,000 direct requests. In addition the Group placed an advertisement in the national press seeking views of individuals and groups. Some 145 submissions were received and these were considered by the Working Group as part of its deliberations. Over 700 issues were raised in these submissions covering

some 18 broad themes. The names of the individuals and groups who responded are listed in Appendix 14 of this report, together with an outline of the issues raised.

Step 2: Define Policy Aims and Target Groups

2.1: What is the primary objective of this policy/programme/expenditure proposal?

The objectives of the SWA scheme were identified by the Working Group as:

(I) To provide a standard minimum income, in an immediate and flexible manner, to those whose means are insufficient to meet their basic needs.

(II) To provide income support in the form of a weekly/monthly supplement to those with additional specific needs, identified either in association with other personal and social services or on an individual basis, that cannot be met from their standard minimum income.

(III) To financially support, by way of a single payment, any individuals who have once-off exceptional/urgent needs, identified either in association with other personal and social services or on an individual basis, that cannot be met from their standard minimum income.

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

The supplementary welfare allowance (SWA) scheme is the "safety net" within the overall social welfare system in that, subject to qualifying conditions, it provides assistance to any persons in the State whose means are insufficient to meet their needs and those of their dependants. SWA provides a minimum weekly allowance to eligible people who have insufficient means. Those eligible for assistance under the SWA scheme are normally in receipt of a social welfare or Health Services Executive payment. Certain qualified persons with low incomes may also be entitled to a weekly supplement to meet specific needs such as rent and or mortgage interest supplement, diet supplement, heating supplement, or a once off payment to help with the cost of any exceptional needs they may have which they could not reasonably be expected to meet from their own resources. There is also provision for an urgent needs payment whereby someone who is normally excluded from payment of SWA may qualify for a payment (e.g. because of fire or flood).

The Working Group concluded that, ultimately, social assistance schemes – which are already payable at the same weekly rates – should be integrated into a unified system of income support.

The Group considered that for this to operate successfully across the range of individual situations presenting for support that active and frequent case-management of individual applications is vital. For example, in certain cases activation to work or further education would be appropriate, while in other situations referral to the personal care services of the HSE would be necessary (e.g. for drugs rehabilitation, or social worker intervention in

family situations). Income support would continue to be paid, subject to means test while a genuine income need persisted, with case management interviews with the applicants as often as required in each case in order to closely monitor the situation and the ongoing need.

The Group also concluded, on the basis of the full and successful implementation of the rental assistance arrangement decided upon by Government in July 2004 and the rent supplement scheme retuning to its original intentions of a short-term income support scheme, that these short-term income support payments would become the responsibility of the Department of Social & Family Affairs and, ultimately, be integrated into the unified income support payment.

Finally the Group concluded that a rationalised ENP/UNP/other supplement response would play a vital role in this income support system. It considered the key outcome in these situations was that the individual would receive a tailored multi-agency solution to address their particular needs. The Working Group considered that the Community Welfare Service was best placed to deliver this service. The vital factor was that the scheme was administered by caseworkers who would interact with the various agencies that deal with the individual's basic needs.

The Working Group was satisfied that these recommendations would increase the efficiency and effectiveness of the current scheme, enabling the scheme to return to its original objective as envisaged at the schemes inception in 1977 resulting in a better service to the individual.

2.3: Differences within target groups/ between groups

As stated in section 2.2 above, the supplementary welfare allowance (SWA) scheme is the "*safety net*" within the overall social welfare system in that, subject to qualifying conditions, it provides assistance to any persons in the State whose means are insufficient to meet their needs and those of their dependants. SWA provides a minimum weekly allowance to eligible people who have insufficient means. Those eligible for assistance under the SWA scheme are normally in receipt of a social welfare or Health Services Executive payment. Certain qualified persons with low incomes may also be entitled to a weekly supplement to meet specific needs such as rent and or mortgage interest supplement, diet supplement, heating supplement, or a once off payment to help with the cost of any exceptional needs they may have which they could not reasonably be expected to meet from their own resources. There is also provision for an urgent needs payment whereby someone who is normally excluded from payment of SWA may qualify for a payment (e.g. because of fire or flood).

The individual component part of the scheme target different groups with different needs and offers a variety of supports to these individuals. For example those with an income support need related to housing can receive either a rent support or a mortgage interest supplement payment, those with an income support need can receive a basic weekly payment and those with special dietary needs that they cannot meet from their own resources may receive a supplement towards this extra cost. In addition those dependent

on certain payment such as rent supplement are incentivised to return to work with a number of income disregards.

Under standard assessment rules rent supplements are calculated to ensure that an eligible person, after the payment of rent, has an income equal to the rate of basic supplementary welfare allowance appropriate to his or her their family circumstances, less a minimum contribution, currently €13, which each recipient is required to pay from his or her own resources. Where a person has an additional income as a result of participation on a training course or in part-time employment, the standard means test now provides for a weekly disregard of up to **€60** per week of additional income with half of any additional income **between €60 and €90** also disregarded for means assessment purposes. For those participating in approved training courses, any lunch or travel allowances that are paid may also be disregarded. In addition certain training courses now provide a childcare allowance to participants on certain courses. Budget 2006 provided that these childcare allowances are to be treated in the same manner as a lunch or travel allowance and disregarded.

Under special retention arrangements which have been in place for a number of years now, a person is allowed to retain a portion of his or her rent supplement where he or she takes up employment through approved schemes, such as the back to work scheme or community employment scheme. Subject to certain conditions, including a weekly household income limit of €317.43, participants of these approved schemes can retain their rent supplement on a tapered basis for up to **4 years, i.e. 75% in year 1, 50% in year 2 and 25% in years 3 and 4.**

Back to work allowance and family income supplement, in cases where one or both of these are in payment, are disregarded in the assessment of the **€317.43** weekly income limit. PRSI, reasonable travelling expenses and any childcare allowances paid to participants on certain courses are also disregarded in the means test. Participants on these approved employment/training scheme have the option of being assessed under either the standard means assessment or under the special retention arrangements and will be entitled to receive payment under the more favourable option in their case.

In addition, a person that has been unemployed for 12 months or more and who moves from a welfare payment to full-time open market employment may retain their rent supplement payment, subject to the **€317.43** income limit, on the same tapered retention basis as outlined above.

Step 3: Consider Available Data and research

As part of this examination of the supplementary welfare allowance (SWA) scheme the following data and research options were utilised:

- An historical analysis of the scheme based on Department's files, Dáil debates and Parliamentary Questions (PQs) was carried out. These sources describe the initial objectives of the scheme and their development over time. The major changes in the scheme were charted and the original objectives were examined.

- As stated above submissions were invited from all Health Board personnel, from Chief Executive Officer to Community Welfare Officer, involved in the operation of the supplementary welfare allowance scheme; the Department's management; other Departments, statutory bodies and agencies; and other relevant groups. This amounted to some 2,000 direct requests. In addition the Group placed an advertisement in the national press seeking views of individuals and groups. Some 145 submissions were received and these were considered by the Working Group as part of its deliberations.
- The following statistical sources were used to provide a quantitative analysis of scheme expenditure and recipients and to highlight changes over time:
 - DSFA Statistical Information on Social Welfare Services (various years).
 - DSFA computer system analysis, and
 - DSFA Departmental files.
- A review of relevant literature was also undertaken as part of the process

Step 4 Assess impacts and consider alternatives

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

Vulnerable Groups (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)			

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

These proposals will have a positive effect - not applicable

Step 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?

The SWA scheme currently acts as the safety net within the overall welfare system in that it can, subject to conditions, provide assistance to persons in the State whose means are insufficient to meet their needs and/or those of their dependents. This role is reflected in the objectives of the scheme which are set out above.

If the proposals of this Working Group are implemented there will still be a vital role for the SWA scheme to help prevent people from falling into poverty. The day-to-day income support needs of individuals will now be met by the Department who has primary responsibility for meeting the needs of the individual. Supplements, where required, will still be available under the SWA scheme and Exceptional Needs Payments to meet once-off items that cannot be met from an individual's basic income will still be available. The proposals of this Working Group should result in the removal of some administrative duplications but will not affect the effectiveness of the scheme in addressing poverty. In fact, the Working Group considered that the multi agency, tailored solutions that the revised structures envisage will increase the effectiveness of the overall welfare system in responding to an individuals needs thus ameliorating the effects of poverty.

The Working Group is satisfied that the proposals made by the Group will deliver immediate and flexible solutions to individuals in need. These solutions will be tailored to meet the individual needs of the person and where required this solution will provide a multi agency response. This should reduce the level and numbers experiencing poverty.

Step 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

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

The four main priority objectives identified in the NAPincl plan are to:

- a) pursue sound economic and fiscal policies, which will help maintain competitiveness, reduce inflation and sustain high levels of employment, as the

key prerequisite to providing the resources for continued high levels of social and public services investment;

- b) maintain and increase employment participation, improve the quality of jobs, remove disincentives by "making work pay", improve employability through education, training and lifelong learning, assist in reconciling work and family life including through child care provision;
- c) increase levels of social welfare payments in real terms and improve access to, and standards, in the main public services; and
- d) provide focused and tailored support for vulnerable people and to combat the risks of exclusion such as homelessness, drug and alcohol misuse and urban and rural disadvantage.

The Group is satisfied that its proposals are consistent with the NAPincl objectives and that the proposals:

- o are sound from a economic and fiscal policy perspective and will deliver better value for money,
- o will assist persons in returning to work,
- o will result in a better service to the public, and
- o will see multi-faceted/multi-agency supports, as appropriate, being made available to individuals, which will assist the specific individual needs of the person in question. This approach will help vulnerable people such as the homeless and those with addiction problems to progress.

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

Yes, the proposals will in the case of basic income support payments provide a better service to all customers, where every individual's basic income support needs being addressed at first point of contact, there will be no refusal of payments to certain groups of individuals simply because they do not satisfy the contingencies of the Departments scheme. The proposals support the full implementation of the Rental Assistance Arrangements as outlined by Government in July 2004. This will see Housing Authorities meeting the long-term housing needs of all of those with a long term need. The dependence of 33,000 individuals' currently in receipt of rent supplement for 18 months or more will no longer exist and exceptional once off payments will still be available to all of those in need.

Step 5: make decision and arrange monitoring

5.1: Will the proposal be adopted?

The implementation of the proposals recommended by the Working Group will be a matter for the Department/Government to decide.

5.2: If adopted how will its impact on poverty be monitored?

The Working Group has recommended a series of performance indicators to measure these recommendations in Chapter 10 of the Report of the Working Group on the Review of the Supplementary Welfare Allowance Scheme.

Step 6: Publish results

The report of the Working Group on the Review of the Supplementary Welfare Allowance Scheme will be published.

Step 7: Poverty Impact Assessment – Summary Sheet

Department Name: Department of Social and Family Affairs

Programme/Policy Title: Report of the Working Group on the Review of the Supplementary Welfare Allowance Scheme

Date of implementation: March 2006

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

The supplementary welfare allowance (SWA) scheme is the "safety net" within the overall social welfare system in that, subject to qualifying conditions, it provides assistance to any persons in the State whose means are insufficient to meet their needs and those of their dependants. SWA provides a minimum weekly allowance to eligible people who have insufficient means. Those eligible for assistance under the SWA scheme are normally in receipt of a social welfare or Health Services Executive payment. Certain qualified persons with low incomes may also be entitled to a weekly supplement to meet specific needs such as rent and or mortgage interest supplement, diet supplement, heating supplement, or a once off payment to help with the cost of any exceptional needs they may have which they could not reasonably be expected to meet from their own resources. There is also provision for an urgent needs payment whereby someone who is normally excluded from payment of SWA may qualify for a payment (e.g. because of fire or flood).

Date poverty impact assessment was carried out: March 2006

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

Design

Brief summary of results:

The Working Group is satisfied that the proposals made by the Group will deliver immediate and flexible solutions to individuals in need. These solutions will be tailored to meet the individual needs of the person and where required this solution will provide a multi agency response. This should reduce the level and numbers experiencing poverty.

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

Contact Information:

Name: _____

Address: _____

Telephone Number _____ **Email address:** _____

Signed: _____ **Date:** _____

