

# National One Parent Family Alliance

## Budget 2024 Priorities June 2023



## About the National One Parent Family Alliance

The National One Parent Family Alliance was established in 2020 in response to the unequal impact the COVID-19 pandemic was having on one parent families and a shared concern about the high levels of poverty experienced by lone parents and their children. The Alliance comprises Barnardos, Children's Rights Alliance, Family Resource Centre National Forum, Focus Ireland, National Women's Council, One Family, Society of St. Vincent de Paul, SPARK, and Treoir.

Since 2016, nine reports on one parent families and poverty have been published, including the 2017 Joint Committee on Social Protection Report on the Position of Lone Parents in Ireland. Each of these reports paints a similar picture of children growing up in the grip of poverty.<sup>1</sup>

Budget 2024 must prevent one parent families being pulled further into poverty as the cost of living remains high. The measures outlined in this document should be seen as the first step in sustained investment over a number of budgets to help move families out of poverty for good. We know this is possible, but we need the Government to make the right decisions in the upcoming budget.

### **Members of the National One Parent Family Alliance:**

Barnardos

Children's Rights Alliance

Family Resource Centre National Forum

FLAC (Free Legal Advice Centres)

Focus Ireland

National Women's Council

One Family

Society of St Vincent de Paul

SPARK (Single Parents Acting for the Rights of our Kids)

Treoir

## Budget 2024 must prioritise one parent families

Last year's Budget saw the largest expenditure in the history of the State, at €90.4 billion.<sup>1</sup> Yet when stripped from once off emergency payments, Budget 2023 did little to alleviate poverty for one parent families. Analysis from the ESRI confirmed lone parents and their children would be slightly worse off in 2023 compared to price adjusted policies.<sup>2</sup>

Budget 2023 was not a child friendly budget, despite the fact that shockingly, children are the age group most at risk of and experiencing poverty, and children in one parent families face an even greater risk. NOPFA welcomed the once-off cost of living measures, but they have only offset the huge energy costs households are already experiencing. In many families, once-off payments have gone towards paying arrears.

The inadequacy of the once off measures to address cost of living and the changes to social welfare rates in 2023 for one parent families was further highlighted by the Vincentian MESL Research Centre. According to their post-Budget analysis, in Q4 of 2022 a one parent family with two children (one in pre-school and one in primary school) faced a shortfall of €9.40 and for those with an older child this rose to €82.73. However, in 2023 these shortfalls increased to €14.73 and €93.32 respectively. The research notes that 'the gradual progress made towards adequacy of income supports is likely to reverse in 2023'.<sup>3</sup>

While inflation has slowed in the first quarter of 2023, there has been little impact on the real cost of essentials such as food, fuel or clothing. The €12 increase on core social welfare payments announced as part of Budget 2023 fell far short of what is needed to protect families from the cost-of-living crisis. The €2 increase for children living in social welfare dependent families, is vastly insufficient to prevent increases in deprivation and child poverty. This is especially true for families with children over 12, who will not benefit from free primary school books or reductions in childcare costs. The Vincentian MESL Research Centre, has demonstrated that families with older children experience higher rates of deprivation and are most lacking material needs. Children over 14 years of age in lone parent households have the added risk associated with their parent being moved from Jobseeker's Transitional Payment (JST), a support which acknowledges their care needs, to Jobseekers Allowance (JA), which doesn't. Lone parents who move from JST to Working Family Payment (WFP) also experience a drop in net income— 10% for a two-child household, due to loss of JST and Fuel Allowance.

### One parent families are at the highest risk of poverty in the State

One parent families continue to be the group most at risk of poverty in Ireland today. Children in one parent families are almost three times more likely to experience poverty than children in two parent families.<sup>4</sup> One parent families are also more likely to be in low paying insecure jobs and are five times more likely to experience in-work poverty than two parent households.<sup>5</sup> These very high levels of poverty have persisted through boom and bust and lone parents and their children in Ireland have the second highest rates of income poverty,

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<sup>1</sup> Department of Public Expenditure and Reform, (2022) *Budget 2023 Expenditure Report*. Available at: <https://www.gov.ie/en/publication/eb6ec-budget-2023-expenditure-reports/>

<sup>2</sup> ESRI, (2022) *Budget 2023: Distributional impact analysis*. Available at: [https://www.esri.ie/sites/default/files/media/file-uploads/2022-10/SLIDES\\_Post%20Budget%20Briefing%202023\\_ROANTREE\\_DOORLEY\\_MCQUINN.pdf](https://www.esri.ie/sites/default/files/media/file-uploads/2022-10/SLIDES_Post%20Budget%20Briefing%202023_ROANTREE_DOORLEY_MCQUINN.pdf)

<sup>3</sup> Vincentian MESL Research Centre, (2022), *Budget 2023 MESL Impact Briefing*. Available at: [Microsoft Word - Budget 2023 - MESL Impact Briefing \(budgeting.ie\)](#)

<sup>4</sup> Central Statistics Office (2023), *Survey on Income and Living Conditions 2022*. Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2022/>

<sup>5</sup> SVP (2019), *Working Parenting and Struggling*. Available at: [https://issuu.com/svp15/docs/working\\_parenting\\_and\\_struggling-/1?e=25010855/71456122](https://issuu.com/svp15/docs/working_parenting_and_struggling-/1?e=25010855/71456122)

persistent poverty and severe deprivation among 15 European peer countries.<sup>6</sup>

The COVID-19 pandemic added a new layer of financial stress to the lives of lone parents as they navigated the practicalities of self-isolation, job losses, increased food and energy bills from being at home more, childcare closures, and the cost of digital devices for home schooling. The provision of income supports in response to the pandemic played an important role in addressing poverty.<sup>7</sup> However, data shows that over a third of one parent families had to cut back on heating or had fallen behind on bills due to COVID-19, and 25% had cut back on food due to cost.<sup>8</sup>

Now the cost-of-living crisis is impacting one parent families. Figures from the Central Statistics Office (CSO) show that between February 2022 and February 2023 overall inflation was at 8.5%, having peaked at more than 9% last year.<sup>9</sup> Furthermore, one parent households experience a higher-than-average rate of inflation. In research commissioned by SVP and collected by RED C in January 2021, almost half of lone parents (47%) had cut back on essential heating and electricity and 37% had cut back on other essentials like food.<sup>10</sup> As cost-of-living increases persist, the Government must not forget its Programme for Government commitment to improve outcomes for those who are “...*struggling on low incomes, struggling with caring responsibilities, having to raise their families alone, or living with a disability*”.<sup>11</sup>

Now more than ever it is vital that Government poverty, gender, and equality proof all budgetary decisions to assess the likely impact that they will have on poverty rates and at-risk groups, including lone parents. Government must do the right thing and target resources towards families in poverty in Budget 2024, otherwise hundreds of thousands of lone parent families in low paid work or relying on state support will be left further behind as the cost-of-living rises.

## **One parent families continue to experience high levels of discrimination and stigma**

Despite increased diversity in family life in Ireland with one-in-four families with children headed by one parent, hardship and discrimination continue for lone parents. CSO data shows that 48% of lone parents said they often experience judgemental attitudes or exclusion as a lone parent, while 41% reported feeling lonely all or most of the time.<sup>12</sup>

Discrimination, stigma and exclusion has direct negative impacts on the well-being of families. When public policy is blind to the needs of one parent families or is directly or

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<sup>6</sup> ESRI (2018) *Poverty dynamics of social risk groups in the EU: an analysis of the EU Statistics on Income and Living Conditions, 2005 to 2014*. Available at: <https://www.esri.ie/system/files/media/file-uploads/2018-01/BKMNEXT345.pdf>

<sup>7</sup> CSO (2022), *Survey of Income and Living Conditions 2021*. Available at:

<https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/>

<sup>8</sup> SVP (2021) *Cutting Back and Falling Behind*. Available at:

<https://www.svp.ie/getattachment/a116ab93-1ba9-4f04-b5a2-bbad59dab050/Cutting-Back-and-Falling-Behind-Report-March.aspx>

<sup>9</sup> Central Statistics Office, (2023)

<sup>10</sup> SVP and REDC (2021) *The Cost of Surviving Survey*.

<sup>11</sup> Government of Ireland, (2020). *Programme for Government: Our Shared Future*.

<sup>12</sup> Central Statistics Office, (2021). *Pulse Survey - Life at Home 2021*. Available

at: <https://www.cso.ie/en/releasesandpublications/fp/fp-pslhr/lpla/pulsesurvey-lifeathome2021rentersloneparentsandadultslivingaloneorwithaparent/>

indirectly discriminatory it can have wide ranging consequences for lone parents and their children and they can face barriers to accessing support and services when they need them.<sup>13</sup>

One of the main criticisms to the cuts and changes to the One Parent Family Payment (OFP), which were carried out from 2014 onwards, was that they were designed and implemented ignoring the additional practical and financial challenges of parenting alone. The decision to abolish the features of the OFP which support lone parents to take up part time employment without providing access to affordable childcare was detrimental.<sup>13</sup>

Recent budgets have tried to unwind these disastrous cuts and address the high levels of poverty for lone parents and their children, however several examples of the continued failure to recognise the specific needs of one parent families can be found in current public policy. For example, parental leave assumes a two-parent family as the norm and so one parent families do not have the same level of support under the scheme as two parent families.<sup>14</sup>

## Priorities for Budget 2024

A core aim of NOPFA is to ensure the needs and experiences of one parent families and the children who are living as part of them, are explicitly acknowledged and addressed in policy and budgetary decisions that affect their lives. NOPFA has a number of overarching policy goals which, if implemented, would be transformative to the lives of people in one parent families and would drastically reduce the levels of child poverty in Ireland.

Firstly, in line with the European Child Guarantee, NOPFA believes the Government should unlock free childcare and afterschool care for children in lone parent and disadvantaged families by investing in NCS income-assessed subsidies.

Secondly, NOPFA believes the Government should commit to benchmarking our social protection system to the cost of a Minimum Essential Standard of Living to ensure everyone has enough to live a decent and dignified life.

Thirdly, NOPFA believes the Government should develop an independent child maintenance body to regulate and oversee the administration of maintenance, thereby taking child maintenance out of the solely private sphere and reducing child poverty.

Finally, NOPFA urges the Government to establish a specific taskforce to review the impact of housing insecurity on one parent families and develop appropriate solutions. This taskforce should be led by the Department of Housing and with responsibility for developing a specific family homelessness strategy within the Housing for All Framework, with targeted actions to prevent and address homelessness among one parent families.

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<sup>13</sup> One Family, (2022) *Human Rights, Equality and One-Parent Families*. Available at: [https://onefamily.ie/wp-content/uploads/2022/09/15783\\_OneFamily\\_HumanRights\\_Booklet\\_Parents\\_.pdf](https://onefamily.ie/wp-content/uploads/2022/09/15783_OneFamily_HumanRights_Booklet_Parents_.pdf)

<sup>14</sup> <https://www.irishexaminer.com/news/politics/arid-40250723.html>

## **1. Ensure our social protection system recognises the additional caring responsibilities of those parenting alone**

In order to lift families out of poverty, our social protection system must recognise lone parents' care responsibilities and must ensure that part-time work, combined with social welfare payments is enough to provide families with economic security and the ability to meet a Minimum Essential Standard of Living.

NOPFA highlights there has been a significant increase in the proportion of the population experiencing enforced deprivation in 2022, and that one parent families experience the highest rate at 45.4%. Most worryingly, the proportion of one parent families who were unable to keep their homes adequately warm rose from 7.4% in 2021 to 21.5% in 2022 according to the CSO Survey of Income and Living Conditions. While the Fuel Allowance offers good support to many households, it doesn't reach all families that need it – most notable those in receipt of the Working Family Payment.

We acknowledge that recent budgets have tried to address the high levels of poverty in one parent families. Recipients of One Parent Family payment/Jobseekers Transition payment have benefited from an increase in the income disregard, fuel allowance and the qualified child increase. However, once a parent's youngest child turns 14, the parent must change to a normal Jobseeker Payment or Working Family Payment, depending on their circumstances. This can lead to a significant drop in income, at a time when the cost of raising a child becomes more expensive. Analysis provided by the Vincentian MESL Research Centre in their 2022 pre-budget submission notes that a lone parent working full time on the National Minimum Wage loses €53 per week when transferring from JST to WFP.<sup>15</sup>

The latest analysis shows that one parent households continue to tend to demonstrate the greatest depth of income adequacy compared to equivalent two parent household cases. Worryingly, there is also a deterioration in the depth of income inadequacy found among these families - 24 one parent cases now show income meeting less than 80% of MESL need (compared to 8 cases in 2022), with 3 cases showing income meeting less than 70% of needs.<sup>16</sup>

The costs of running a household on a single long term social welfare payment has long been recognised by DSP and these households are entitled to an additional living alone allowance. Despite relying on a single social welfare payment, lone parents are not entitled to this payment. This means the Qualified Child Increase is used to support the household running costs instead of helping to meet the additional costs of a child.

### **Recommendations for Budget 2024:**

- In recognition of the income cliff when the youngest child reaches 14, extend Jobseekers Transition Payment to parents in work, education or training until their youngest child finishes second level education.

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<sup>15</sup> Vincentian Partnership for Social Justice (2021) MESL Pre-Budget Submission 2022  
[https://www.budgeting.ie/download/pdf/vpsj\\_mesl\\_pre-budget\\_2022\\_submission.pdf](https://www.budgeting.ie/download/pdf/vpsj_mesl_pre-budget_2022_submission.pdf)

<sup>16</sup> Vincentian MESL Research Centre (2023) MESL Annual Update Report :  
[https://www.budgeting.ie/download/pdf/mesl\\_2023\\_-\\_annual\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2023_-_annual_update_report.pdf)

- Make the Fuel Allowance payable to families in receipt of the Working Family Payment as a targeted measure to reach more families experiencing energy poverty. Estimated cost: €40.6 million
- An increase of €10 per week for children under 12 and €15 per week for children over 12 is needed to retain the purchasing power of the Qualified Child Payment and make real progress on tackling child poverty.<sup>17</sup>
- Extend entitlement of the Living Alone Allowance and Household Benefits package to one parent families in recognition that they rely on a single long term social welfare payment and are at a much greater risk of poverty and income inadequacy than two adult households.
- Exclude One Parent Family payment and JST from the medical card assessment. Working Family Payment is already excluded, and this anomaly acts as a disincentive for lone parents to take up part time paid employment. The inclusion of One Parent Family Payment/ JST income under the financial assessment for a medical card acts as a barrier for lone parents to access employment.<sup>18</sup>
- Reopen the Mortgage Interest Supplement to new applicants who are parenting alone or sharing parenting and paying their mortgage alone.
- The Housing Income Disregard was introduced in 1997 at a rate of £75 (€95.23) and it has not increased since then and it does not reflect current housing costs. Families are at increased risk of homelessness at the time of relationship breakdown, and an increase in the Housing Income Disregard in line with actual market costs would support families to remain in the family home.

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<sup>17</sup> Data from the Vincentian MESL Research Centre shows that an increase of €8.50 for children under 12 and €12.50 for children over 12 is needed to restore the Qualified Child Payment to 2020 levels in real terms. These figures assume that the €100 increase in the Back to School Clothing and Footwear Allowance will be retained. The rate recommendation above these rates stems from the need to make progress on tackling child poverty, particularly among older children. Reference: Vincentian MESL Research Centre (2023) MESL Annual Update Report : [https://www.budgeting.ie/download/pdf/mesl\\_2023\\_-\\_annual\\_update\\_report.pdf](https://www.budgeting.ie/download/pdf/mesl_2023_-_annual_update_report.pdf)

<sup>18</sup> Medical card income assessment example:

As a lone parent, Person A's basic rate for a medical card is €266.50, with an additional rate for two dependents of €76. Person A pays a HAP top-up of €60 per week and has travel expenses of €20 per week. Therefore, if Person A's weekly earnings are €422.50 or below, they will qualify for a medical card.

Person A is working 15 hours per week in a minimum wage position at €10.50 per hour, they have weekly earnings of €157.50. As a lone parent, Person A receives the One Parent Family payment at a weekly rate of €208, as well as €88 in Qualified Child Increase for 2 children. As these payments are not disregarded, Person A's net income per week for the purpose of the Medical Card financial assessment is €453.50.

As Person A will not be entitled to a medical card for herself and her children, resulting in an unknown spend on additional costs such as prescriptions; dental; optical; and, aural services; as well as being ineligible for the reduced USC rate; the state examination fee waiver; and, financial support for school books. This presents a barrier to employment as it results Person A having to make a practical decision on whether or not to remain in employment due to the risk of no longer being entitled to a medical card.

This example demonstrates a misalignment of policy whereby the Department of Social Protection is incentivising lone parents into part time work, but medical card assessment does not.

## 2. Guarantee early years and childcare policies supports the needs of children in one parent families

It is well established that in countries with public provision of childcare, early years care and education is more affordable, accessible, and of higher quality than in countries with private provision.<sup>19</sup> Research also shows that publicly provided childcare is linked to better outcomes for children and higher maternal life satisfaction.<sup>20</sup> In addition, it is recognised that access to free or highly subsidised childcare is one of the best mechanisms to reduce poverty in one parent families.<sup>21</sup> Historically, Ireland's public expenditure on ECEC has been low and according to the Organisation on Economic Co-operation and Development (OECD), it amounted to less than 0.5 per cent of Gross Domestic Product (GDP).<sup>22</sup> However, Ireland has the highest level of private provision of childcare in the OECD, along with relatively low Government investment, low wages for educators and high fees for parents.<sup>23</sup>

NOPFA calls for the public provision of early years care and education with free childcare for children in one parent families and disadvantaged circumstances in line with the commitments under the European Child Guarantee.<sup>24</sup> NOPFA welcomes the realisation of the goal to invest €1bn in the sector in 2023, 5 years ahead of schedule and this is proof of the commitment to ensure all children get the best start in life. As part of this investment there was an increase to the universal element of the NCS that has meant that the cost of childcare has reduced for all parents. However, it is critical that targeted supports are provided to parents on low incomes to support participation in the labour market.

The OECD emphasises that if ECEC is not sufficiently subsidised, fewer children from disadvantaged backgrounds participate in it. This echoes the concerns made by the UN Committee on the Rights of the Child in relation to discrimination in early childhood where the provision of services does not follow a universal model. An analysis of OECD data indicates that supporting parents from low-income families to participate in full-time employment is a critical objective in terms of significantly reducing child poverty. Notwithstanding this, challenges exist in relation to accessing work with decent pay and conditions and a substantial number of households continue to experience in-work poverty.

The State needs to provide free (or nearly free access to ECEC, for example, a small contribution of no more than €10 for people on the lowest incomes) for parents living in consistent poverty. This would include those currently on welfare payments or in low paid jobs. This is the single most important measure in addressing child poverty based on the

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<sup>19</sup> Heery, E. (2020) 'Public Provision of Early Childhood Education: an Overview of the International Evidence', Oireachtas Library and Research Service Briefing note [https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2020/2020-06-16\\_l-rs-notepublic-provision-of-early-childhood-education-an-overview-of-the-international-evidence\\_en.pdf](https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2020/2020-06-16_l-rs-notepublic-provision-of-early-childhood-education-an-overview-of-the-international-evidence_en.pdf)

<sup>20</sup> Ibid.

<sup>21</sup> Daly, M. (2020) Reducing Child Poverty: Challenges and Opportunities for Ireland, Presentation at Children's Rights Event on the EU Child Guarantee [https://www.childrensrights.ie/sites/default/files/submissions\\_reports/files/Prof%20Mary%20Daly%20Child%20Guarantee.pdf](https://www.childrensrights.ie/sites/default/files/submissions_reports/files/Prof%20Mary%20Daly%20Child%20Guarantee.pdf)

<sup>22</sup> OECD, 'OECD Family database PF3.1: Public spending on childcare and early education' <<https://bit.ly/3az4cRP>> accessed 14 February 2022.

<sup>23</sup> Daly, M. (2020) Reducing Child Poverty: Challenges and Opportunities for Ireland, Presentation at Children's Rights Event on the EU Child Guarantee [https://www.childrensrights.ie/sites/default/files/submissions\\_reports/files/Prof%20Mary%20Daly%20Child%20Guarantee.pdf](https://www.childrensrights.ie/sites/default/files/submissions_reports/files/Prof%20Mary%20Daly%20Child%20Guarantee.pdf)

<sup>24</sup> European Commission (2021) European Child Guarantee <https://ec.europa.eu/social/main.jsp?catId=1428&langId=en>



evidence that what works is providing quality employment alongside quality childcare.

As previously mentioned, another inequality experienced by one parent families is in relation to Parent's Leave. The Government's stated aim in First 5 is to create a system that will allow children to be cared for at home during this first year through the introduction of 'more generous parental leave entitlements'.<sup>25</sup> However, from July 2022, a lone parent will only have access to seven weeks of Parent's Leave whereas parents in a two parent family will be able to access fourteen. Essentially, what this means is that children in one parent families get half the State supported time with their parents. Equality for lone parents in Parent's Leave is a recommendation of the Citizens' Assembly on Gender Equality.<sup>26</sup> NOPFA believes it is important to ensure that all babies have equal access to their caregiver at this critical time regardless of their family type.

The General Scheme of the Work Life Balance Bill proposes introducing 5 days, unpaid, medical care leave to support families to combine work and care responsibilities. Paid leave is vital if the Scheme is to offer realistic support for lone parents who are solely responsible for their household income and who already have a much higher risk of poverty than other household types.

### **Recommendations for Budget 2024**

- Remove Child Benefit from the income assessment for the National Childcare Scheme, as is the case with other means tested supports.
- Amend the Parent's Leave and Benefit Act to ensure one parent families have the same level of support as two parent families by providing an additional entitlement to the parent that is caring in a one parent family and permitting transferability between parents or to another appropriate carer in the case of a one parent family.
- In advance of the full implementation of the new funding stream to tackle child poverty and disadvantage being introduced, provide free access (or nearly free access) to childcare for families on the lowest incomes by providing higher levels of subsidisation under the National Childcare Scheme for all families in receipt of the Medical Card. This can be achieved by amending the current IT system to include an additional field for Medical Card holders.
- Allocate sufficient funding in Budget 2024 to support the implementation of the first phase of the new Equal Participation Model. This should include a focus on wraparound services, provision of food and parental support.

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<sup>25</sup> First 5: A Government Strategy for Babies, Young Children and their Families 2019-2028 <https://first5.gov.ie/>

<sup>26</sup> The Citizen's Assembly, (2021) *Report of the Citizens' Assembly on Gender Equality*,

### **3. Recognise and respond effectively to the heightened risk of homelessness and housing insecurity experienced by one parent families**

Poverty and homelessness are inextricably linked; poorer families are more likely to be living in insecure accommodation, increasing their risk of homelessness.<sup>27</sup> Exposure to high levels of poverty means that lone parent families experience a disproportionate level of homelessness and housing insecurity. We also know that family separation and relationship breakdown can put all members of a household at risk of homelessness.

In September 2021, the Irish Human Rights and Equality Commission (IHREC) and the Economic and Social Research Institute (ESRI) published a report, 'Monitoring Adequate Housing in Ireland', which looked at six dimensions of housing adequacy - accessibility, affordability, security of tenure, cultural adequacy, quality & location.<sup>28</sup> It found that lone parents and their children were at a significant disadvantage on nearly all housing rights dimensions. Despite making up only 20% of families in Ireland, one parent families account for 53% of homeless families. Lone parents also had higher rates of affordability issues (19%) when compared to the general population (5%) and were more vulnerable to housing quality problems such as damp and lack of central heating (32% compared to 22%).<sup>29</sup>

Commenting on the report, the UN Special Rapporteur on the right to adequate housing, Prof Balakrishnan Rajagopal, said it raised “a fundamental question over the treatment of single parents and their children by society” and pointed to the need to ensure that everyone has equal access to a safe and adequate home.<sup>30</sup>

Homelessness is devastating for families – it causes trauma and can do life-long damage to the health and well-being of children and parents. NOPFA believe adequate housing should be viewed as a fundamental human right and that housing policy should recognise the unique needs of one parent families and include targeted measures to help them.

The IHREC report on adequate housing puts into sharp focus the need to recognise and respond effectively to the heightened risk of homelessness and housing insecurity experienced by one parent families.

Affordable housing is key to reducing poverty and many households in Ireland are currently at risk of poverty because of high housing costs. Lone parents in particular struggle to access affordable housing and are at greatest risk of homelessness.<sup>31</sup> The CSO Survey of Income and Living Conditions for 2021 showed that 11.6% of the population were at risk of poverty before housing costs, but that rose to 19% after housing costs were paid.<sup>32</sup> Social housing is available for any household that is not able to meet the cost of their housing needs and it is an important tool in reducing homelessness and poverty. Tenants pay a differential rate based on their income. In the aftermath of the financial crash in 2008, there was a fall in the development of new social housing units. In 2007, the combined provision

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<sup>27</sup> Loftus, C. (2019) With over a thousand lone parent families homeless, are we repeating the mistakes of our past? <https://www.focusireland.ie/with-over-a-thousand-lone-parent-families-homeless-are-we-repeating-the-mistakes-of-our-past/>

<sup>28</sup> Russell, H., Privalko, I., McGinnity, F. & Enright, S. (2021) Monitoring Adequate Housing in Ireland <https://www.esri.ie/publications/monitoring-adequate-housing-in-ireland>

<sup>29</sup> Ibid.

<sup>30</sup> RTE News Report, 14<sup>th</sup> September 2021, 'Lone parents and children account for 53% of all homeless families – report' <https://www.rte.ie/news/ireland/2021/0914/1246582-lone-parents-housing-report/>

<sup>31</sup> Department of Housing (2021) Homeless Report April 2021 <https://www.gov.ie/en/publication/2e889-homeless-report-april-2022/>

<sup>32</sup> CSO (2021).

by Local Authorities and Approved Housing Bodies was 8,673. However, this fell dramatically, to less than 760 units in 2013 and 2014.<sup>33</sup>

There are now over 120,000 households in need of social housing. There are currently 61,880 households on the social housing waiting lists, as of November 2020<sup>34</sup> and also a further 59,821 households are in private rented tenancies supported by HAP as at Q4 2020.<sup>35</sup>

The Government's strategy '*Housing for All*' strategy commits to providing an additional 90,000 social housing units by the end of 2030, so it is clear that the private rental sector will still be essential to meet the needs of households over the coming decade. It is therefore essential that (i) social households are supported while they are waiting in the private rental sector and (ii) that landlords are incentivised to remain in the rental market, as we are already seeing a reduction in the number of properties available to rent.<sup>36</sup>

HAP (Housing Assistance Payment) has replaced rent supplement as the main financial support for people on the social housing waiting list to access financial support for their housing needs. HAP is an excellent homeless prevention measure and housing financial support that is helping people exit homelessness. A study from the Central Statistics Office (CSO) shows that one fifth (21.1%) of all HAP Households in 2019 were referred from homeless accommodation. The December 2021 quarterly Homeless Progress Report from the Department of Housing, showed that HAP was the main exit from homelessness in 2021, with an average of 69% of homeless exits each quarter occurring due to HAP tenancies in the private market.<sup>37</sup> However, HAP limits and landlord top-ups are pushing households into poverty.<sup>38</sup> HAP households pay the local authority a differential rent similar to all social housing tenants, but in many instances, they must also pay a top-up to the landlord. The CSO SILC 2021 provided indisputable proof that housing support payments are placing households at a greater risk of poverty. Households in receipt of HAP had an 'at risk of poverty rate' of 10.9% before housing costs but this increased by more than four-fold to 59.1% after they paid their housing costs.

Another issue impacting lone parents is that Mortgage Interest Supplement was abolished in 2014 and since then, there is no financial support for households with a mortgage. If there is a family breakdown and a financially dependent parent remains in the home with children, they must meet their own housing costs from a social welfare payment. In addition, where a court orders a non-custodial parent to discharge the mortgage, the Department of Social Protection (DSP) assesses payments made to a mortgage provider as maintenance and reduces the social welfare payment as if it was cash received by the custodial parent. There is a housing income disregard of €95.23 which has not increased since 1997 and is not reflective of current housing costs. This means that a custodial parent may often have to choose between choosing to have the mortgage paid but forfeiting an adequate social welfare income for their family or allowing the mortgage to fall into arrears and put the family

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<sup>33</sup> Malone, P (2020) Housing: Social Housing Outputs and Stock

[https://publicpolicy.ie/downloads/papers/2020/Social\\_Housing\\_Outputs\\_and\\_Stock\\_2020.pdf](https://publicpolicy.ie/downloads/papers/2020/Social_Housing_Outputs_and_Stock_2020.pdf)

<sup>34</sup> Department of Housing Summary of Social Housing Assessments 2020 – Key Findings From Department of Housing, Local Government and Heritage Published on 9 March 2021

<sup>35</sup> HAP Exchequer Spend Landlord Payments 2019 – 2020

<sup>36</sup> Simon Community of Ireland (2022) Locked out of the Market Study in March 2022 <https://www.simon.ie/wp-content/uploads/2022/04/Locked-Out-of-the-Market-March-2022.pdf>

<sup>37</sup> Department of Housing (2021) Homeless Quarterly Progress Report: <https://www.gov.ie/en/publication/c83d9-homeless-quarterly-progress-report-for-q4-2021/>

<sup>38</sup> Threshold and SVP (2019) The Housing Assistance Payment: Making the Right Input [https://www.threshold.ie/assets/files/pdf/00881\\_hap\\_survey\\_report\\_2019\\_-\\_web.pdf](https://www.threshold.ie/assets/files/pdf/00881_hap_survey_report_2019_-_web.pdf)

at risk of homelessness. It is welcome that DSP provides rent supplement for parents to escape domestic violence but does not support the victim and children to remain in the family home, although there are plans to address this in the Third National Strategy on Domestic, Sexual and Gender Based Violence.

In the last year (April 2022 - April 2023) child homelessness increased by 650. The legislation that governs local authorities' treatment of people presenting as homeless, was enacted in 1989 and it does not contain provisions for the needs of children. We believe that it is essential to enact new legislation that will prioritise 'The Best Interests of the Children' to protect children who do experience homelessness.

Homelessness is devastating for families – it causes trauma and can do life-long damage to the health and well-being of children and parents. NOPFA believe adequate housing should be viewed as a fundamental human right and that housing policy should recognise the unique needs of one parent families and include targeted measures to help them.

### **Recommendations for Budget 2024**

Make HAP fit for purpose by:

- Identifying households at risk of losing their rented accommodation due to rent arrears and developing a joint budget line and protocol between the departments of Social Protection and Housing, Local Government and Heritage to provide financial and tenancy support services in a timely manner to prevent households from entering homelessness.
- Apply the principle set out in the Social Welfare Consolidation Act 2005 - that no households should fall below an absolute minimum level of income after paying for their accommodation - to HAP tenancies via the local authority.
- Ensure no household pays more than 30% of their net income on housing costs. Where legally allowable rent increases cause these safeguards to be breached, HAP subsidies should be increased in line with market rents.
- The maximum rent limit on HAP properties should be urgently increased to realistically reflect increases in market rents over the last 6 years.
- The arrangement in which tenants make rent payments to their local authority and to their landlord should be ended. The state should protect tenants by the local authority collecting all the rent due (both the differential rent and any agreed top-up) and then the local passing on the 'top-up' to the landlord along with the HAP payment.
- HAP tenants who fall behind with their differential rent should be treated in the same way as other social housing tenants, and not subjected to unfeasible repayment plans.
- Reintroduce Mortgage Interest Supplement to support families. Family breakdown has a negative impact on household budgets. Families that are renting can be supported through this critical juncture and loss of income through HAP (Housing Assistance Payments). There is an inequity for families that have mortgages, as they are not entitled to receive any support for their housing costs and this can put huge financial

strain on a family and ultimately could lead to the loss of the family home and an increased cost to the state to house the family in emergency accommodation or through HAP. Previous research has shown<sup>39</sup> that it is cheaper to support families through Mortgage Interest Supplement than other housing options in the Private Rental Sector.

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<sup>39</sup> Labour Party (2011) Plan for Distressed Mortgages and Household Debt.

## 4. A whole of Government approach to ending child poverty

Poverty causes negative outcomes for all children and sustained periods of poverty in childhood creates a negative effect that can last into adulthood.<sup>40</sup> Children in one parent families in Ireland are especially vulnerable to poverty and deprivation. This is because one parent families remain the group most at risk of poverty in the State. One out of every seven one parent families in Ireland live in consistent poverty (14.1%), almost one in four are at risk of poverty (23.8%) and almost half of one parent families experience enforced material deprivation (43.5%).<sup>41</sup> There is a deep inequality at play. Children in one parent families are almost three times more likely to experience consistent poverty or material deprivation than children in two-parent families.<sup>42</sup>

A progressive, strategic approach to poverty reduction is proven to have a transformative effect on poverty rates in vulnerable cohorts. Evidence of this can be found in the significant success in addressing poverty in older adult households in recent years.<sup>43</sup> An adequate State pension has been shown to have protected older adults from the increases in material deprivation experienced by other cohorts during the Great Recession.<sup>44</sup> Further evidence of the protective power of social income adequacy was demonstrated by the positive effect the Pandemic Unemployment Payment and Wage Subsidy Schemes had on poverty rates between 2020 and 2021.

Child poverty in one parent families is not inevitable; but NOPFA believes a coordinated, cross Government approach is the only way to ensure a substantial, sustainable reduction. Such an approach must include specific targets and measures to reduce poverty in one parent families with a focus on access to education, public childcare, quality employment, effective system of child maintenance and income adequacy.

NOPFA welcomes the establishment of a Child Poverty and Wellbeing Unit within the Department of the Taoiseach. This new unit presents the opportunity for the Government to strategically tackle child poverty and it is essential it has a coordinating role in ensuring a whole of Government approach to reducing child poverty. It is crucial to include organisations representing children most at risk of child poverty in the development of the programme of work for the Child Poverty Unit, as well as consulting with such organisations regularly on the progress and direction of the Unit's work. The work being initiated under the Wellbeing Framework provides an important context to underpin this work.

### Recommendations for Budget 2024

- Develop a dedicated national action plan that delivers the systemic change that is needed to reverse the tide of child poverty.

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<sup>40</sup> UNICEF, (2017) *A World Free from Child Poverty*, New York:UNICEF.: [//www.unicef.org/reports/world-free-child-poverty](https://www.unicef.org/reports/world-free-child-poverty)

<sup>41</sup> Central Statistics Office, (2023)

<sup>42</sup> Ibid.

<sup>43</sup> Vincentian Partnership for Social Justice, (2021). *MESL 2021 Annual Update*. [www.budgeting.ie/download/pdf/mesl\\_2021\\_annual\\_update.pdf](https://www.budgeting.ie/download/pdf/mesl_2021_annual_update.pdf)

<sup>44</sup> Roantree B., Maitre B. And McTague A. (2021). *Poverty, Income Inequality and Living Standards in Ireland*. Dublin : ESRI and Community Foundation Ireland. [https://www.esri.ie/system/files/publications/BKMNEXT412\\_1.pdf](https://www.esri.ie/system/files/publications/BKMNEXT412_1.pdf)

## 5. Provide sustainable routes out of poverty by facilitating access to education and training

Lone parent participation in education decreased by approximately 20% between 2011 and 2016.<sup>45</sup> As with employment, the time and work needed to balance parenting with attendance at classes and study can be prohibitive. Significant financial barriers also exist, with one in five lone parents in Ireland unable to access formal education for financial reasons.<sup>46</sup> Only 15% of lone parents reported having a third level qualification in the last Census and 70% were educated to level 6 or less on NFQ.<sup>47</sup>

The SUSI Grant Scheme is the main financial support scheme for people studying in Ireland. SUSI is an integral part of a system of support which lone parents need to access education, particularly at third level. Currently, restrictions on the type of course (full time and in person) and the criteria applicants must meet are excluding a significant cohort of lone parents from accessing education. The 2022 review of the SUSI grant system by INDECON economists noted a significant unmet demand for part-time learning among students, particularly among target groups under the National Plan for Equity of Access including lone parents.<sup>48</sup>

Following the publication of the review, the Minister for Further and Higher Education announced that the Department would conduct an analysis of part-time courses with a view to introducing statutory supports for part-time students.<sup>49</sup> To increase the participation of lone parents in further education, this commitment must be progressed in Budget 2024.

In addition, anomalies created by the cuts and changes to the OPF in 2014 mean that parents in receipt of Rent Supplement can not access the same level of support as parents in social housing or HAP tenancies. The INDECON SUSI review noted these anomalies and its impact on lone parents, recommending that they be addressed through targeted measures as part of the forthcoming National Plan for Equity of Access.

### Recommendations for Budget 2024

- Make SUSI available to parents engaging in education on a part-time basis recognising the additional caring and work responsibility of lone parents. Additionally, address the anomaly by which lone parents and people with a disability in receipt of Rent Supplement and DA/OFP/JST, who want to take up education or training are not eligible for SUSI maintenance.
- Expand a child benefit type payment to young people over the age of 18 still in school and in receipt of the Back to School Footwear Allowance. Currently the loss of child benefit to families when their child reaches 18 causes financial difficulties for parents and can be a contributing factor to early school leaving. Targeting the payment to low income families is a positive and progressive measure to tackle school costs and educational disadvantage.

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<sup>45</sup> CSO (2017). Census 2016 <http://www.cso.ie/en/census/>

<sup>46</sup> SVP (2019) 'Working, Parenting, Struggling? An analysis of the employment and living conditions of one parent families in Ireland.' [https://issuu.com/svp15/docs/working\\_\\_parenting\\_and\\_struggling-\\_1?e=25010855/7145612](https://issuu.com/svp15/docs/working__parenting_and_struggling-_1?e=25010855/7145612)

<sup>47</sup> CSO (2017).

<sup>48</sup> INDECON (2022) Review of the Student Grant Scheme <https://www.gov.ie/en/policy-information/49e56-future-funding-in-higher-education/>

<sup>49</sup> Minister Harris publishes landmark policy on funding higher education and reducing the cost of education for families: <https://www.gov.ie/en/press-release/11787-landmark-policy-funding-higher-education-reducing-cost-for-families/>