children's RIGHTS ALLIANCE

Analysis of Budget 2012 And its Impact on Children

December 2011

The Children's Rights Alliance is a coalition of over 90 non-governmental organisations (NGOs) working to secure the rights of children in Ireland, by campaigning for the full implementation of the UN Convention on the Rights of the Child (UNCRC). It aims to improve the lives of all children under 18, through securing the necessary changes in Ireland's laws, policies and services.

Membership

The Alliance was formally established in March 1995. Many of its member organisations are prominent in the children's sector – working directly with children on a daily basis across the country. The Alliance's policies, projects and activities are developed through ongoing collaboration and consultation with its member organisations. A full list is at the back of this document.

Vision

Ireland will be one of the best places in the world to be a child

Mission

To realise the rights of children in Ireland through securing the full implementation of the UN Convention on the Rights of the Child

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This is an in-house publication.

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I. OVERVIEW OF BUDGET 2012

This document aims to give an overview of the Budget and its impact on children. It is split into three sections. The first analyses Budget 2012 and provides commentary on the key issues as identified by the Children's Rights Alliance. The second gives detailed descriptions of the measures introduced by key departments, without providing commentary. The final section contains useful information – an extract from the Alliance pre-Budget submission, our post Budget press statement, and a list of our member organisations.

Budget 2012 – the first delivered by the Fine Gael/Labour Coalition Government that took office in March 2011 – set out to achieve savings of €3.8 billion; split between €1.6 billion in taxes and €2.2 billion in expenditure cuts.[1] For the first time, the Budget was delivered over two days: the first focused on expenditure and reform and was delivered by Minister for Public Expenditure and Reform, Brendan Howlin TD, on Monday 5 December; the second on taxation, delivered by Minister for Finance, Michael Noonan TD, on Tuesday 6 December.

The reality of the figures is striking: to stabilise the economy, Ireland needs €85 billion between 2011 and 2014.[2] The State does not have this sum, and so it will contribute €17.5 billion, drawn from the National Pension Reserve Fund; while external sources (a mix of the EU, the IMF and bi-lateral loans from the UK, Sweden and Denmark) will provide the additional €67.5 billion. The *National Recovery Plan 2011-2014,* drawn up by the previous Government and bought into by the new Government, outlines the combination of spending cuts and tax increases to be employed to reduce the deficit from 11.7% in 2010 to 3% over four years.[3] The EU IMF Programme outlines the parameters of reductions over four years.

Given this reality – and the build-up over the months, weeks and days leading to the Budget – the public was well prepared for harsh measures; and the Budget contained few surprises. The night before the Budget, 4 December, for the first time since 1980, the Taoiseach, Enda Kenny TD, addressed the nation, warning of the challenge we face "as a community, as an economy, and as a country" and promised that, while this Government's highest priority is to create jobs, it will also "do all we can to protect the most vulnerable in our communities – our children, the sick, and the elderly."[4]

The spending cuts announced will hit families with children hard, the poorest among them taking the sharpest blow. The decision to cut Child Benefit for families with three or more children, combined with the cut to the Back to School Clothing and Footwear Allowance and the increase in the cost of school transport, will have a real impact on families with children, already struggling to make ends meet. The contradictory nature of choices made – the welcome move to channel education savings towards implementation of the new Literacy and Numeracy Strategy alongside the cut to the Back to School Clothing and Footwear Allowance – is confusing. On the one hand this Government is incentivising education, and on the other it is making it a source of stress for families, through increased cost. The targeting of children with disabilities aged 16 and 17 years with a savage cut of almost €500 a month is astonishing. The Taoiseach's decision to 'pause' this measure on 7 December, the day after the Budget, is welcome: but that this was allowed to happen at all shows a lack of consideration for those most reliant on the State for support. The sharp reduction to entitlements for one-parent families suggests a serious mis-understanding of the challenges these families face – even more so now as jobs are scarce – and given their particular vulnerability to poverty.

Still, in the days after the Budget, the small print is still being analysed and implications assessed. A number of things remain unclear:

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1 €755m from capital expenditure and the remainder from current spending.

2 Of the grand total, €35 billion is ear-marked to support the banking system (€10 billion for the immediate recapitalisation and up to €25 billion on a contingency basis); the remaining €50 billion will cover the day-to-day financing of the State.

3 *The National Recovery Plan 2011-2014* outlines plans to save €15 billion by 2014. The *Memorandum of Understanding* between the European Union (EU), the International Monetary Fund (IMF) and the Irish Government, published on 1 December 2010, set out the nature of financial assistance being granted to the State and the conditions to be met for funds to be released. This agreement is being honoured by the new Government, which took office in March 2011.

4 The full text of the Taoiseach's speech, delivered after the 9 o'clock news on Sunday 4 December 2011, can be accessed here http://www.rte.ie/news/2011/1204/taoiseach_address_text.html [accessed 7 December 2011].

- Does the end of the 'pilot' phase of the early intervention and prevention projects mean an end to State funding for these projects? The five year pilot programmes are due to conclude in 2012/2013.[5]
- What impact will the 20% cut to the policy and legislation unit at the DCYA have on progressing vital legislation for children, including that committed to in the *Ryan Report Implementation Plan*?
- How will *Growing Up In Ireland: the National Longitudinal Study on Children* be affected by cuts of €4.4 million to the DCYA research budget?
- How will the €10 million allocated to the National Literacy and Numeracy Strategy, reform of the Junior Certificate and the high speed broadband for schools be allocated between these three?
- What will the additional €300,000 in capital spending for the Irish Youth Justice Service be spent? Will it be used to upgrade the facilities in the Children Detention Schools?
- How much of the €35 million allocated to Community Mental Health Teams will be allocated to Child and Adolescent Mental Health Services?
- What proportion of the health budget will be invested in developing primary care teams? Implementation of these teams is in the early stages, they need focused investment and support to deliver for children and families.
- What impact will the 11 to 12% cut in the budgets of the HSE regions have on children in the care and child protection system?

But overall the outcome of this Budget is clear. By targeting families that experience greatest poverty – families with three or more children and lone parent families – Government has hit children who were already living on the breadline, and plunged them deeper into poverty. We do acknowledge that there are some positives in Budget 2011 for children, and we warmly welcome them. These include:

- €3 million for a constitutional referendum on children's rights
- Nearly €10 million for the Literacy and Numeracy Strategy, work on Junior Cycle reform and phased rollout of broadband to second level schools.
- €35 million investment in Community Mental Health Teams
- 300,000 increase in the capital budget for the Irish Youth Justice Service
- New, transparent Budgeting process to take effect from next year.

However, these positives will provide little solace to the family struggling to pay for Christmas and wondering how they will keep their house warm, their children fed and themselves well in 2012. By deciding to hit families that are worst off with its cuts, Government has shown that its commitment to jobs, reform and fairness rings false; as there is no fairness at all in a Budget that punishes children.

Smart Budgeting for Children: Alliance project

In the run up to Budget 2012, the Alliance undertook a detailed analysis of previous budgets to establish exactly how much of the Budget is spent on children, and where spend on children is directed.[6] We found that, of a total Budget of over €50 billion, 20% or €10 billion, is 'core spend' on children. Of that, 60% (over €6 billion) is spent on education, with the majority spent on teachers' salaries and pensions and then the day-to-day costs of running schools; over 35% (€3.5 billion)is spent on social protection, which includes child benefit and support to one parent and low income families; €400 million – just 4% – is spent on the activities of the Department of Children and Youth Affairs. Initial Alliance findings can be found at: http://bit.ly/rBzk6V

New, transparent Budget process

Budget 2012 announced that a new budgetary process, based on 'transparency, openness and clear structural planning' will take effect from next year. This change is welcome and long overdue: for too long decisions have been taken in secret, often without clear policy rationale or evidence of outcomes. The new process will introduce a multi-annual expenditure framework; evidence based expenditure policy; be guided by a new value for money code; build performance information into the annual estimates; and, enhance the role of the Oireachtas. In doing so, it will facilitate the work of NGOs seeking to ensure that money allocated is used as efficiently and effectively as possible to improve the outcomes of their client group.

5 Department of Children and Youth Affairs (2011) Comprehensive Review of Expenditure Vote 43.

6 The annual Budget is divided into 43 votes each one associated with a Government department, agency or specific programme of work. The Alliance examined each individual budget line, known as a 'sub-head', within each vote, and assessed its relevance to children.

II. ANALYSIS OF BUDGET 2012

This section highlights some of the changes arising from Budget 2012 that are of particular importance to children. These issues are split into two sections – those changes that we welcome, and those that disappoint us.

Key Positives of Budget 2012

✓ **Constitutional Referendum on Children's Rights**

The Alliance warmly welcomes the allocation of €3 million for the holding of a Constitutional Referendum on Children's Rights in 2012. The Constitution is the fundamental law of the land and until it changes, children will continue to remain almost invisible within our Constitution. The current provisions of our Constitution are blocking reform of our care and adoption systems and discriminate against children depending on whether their parents are married or not. In 2010, the Joint Committee on the Constitutional Amendment on Children agreed that a constitutional Referendum is required to strengthen children's rights and published All Party agreed wording for an amendment. The Government has committed to hold a referendum in 2012.

✓ **Protection of vital education supports/programmes**

An allocation of nearly €10 million is being provided in Budget 2012 to commence implementation of actions in the Literacy and Numeracy Strategy, work on Junior Cycle reform and phased rollout of high speed (100mbps) broadband to second level schools. This funding is generated through savings within the education budget. The DEIS programme has been protected, as have supports for children with special educational needs. Investment is being made in school buildings to meet demographic demands. Given the current economic climate, we believe it is important to acknowledge and welcome these positive measures for children; and emphasise the importance of this kind of investment for children now, and for the future.

✓ **Core funding for Universal Free Pre-School Year Maintained**

From January 2010 the Government has provided one year free pre-school to every child for up to three hours a day, in the year prior to commencing primary school. This was a progressive policy shift, and was widely welcomed.[7] High quality Early Childhood Care and Education delivers long-term dividends to children, families and society;[8] money invested early has consistently been shown to reap both economic and social benefits in the longer term.[9] We welcome the protection of investment in the free pre-school year in Budget 2012, and the commitment to maintain investment in line with demographic demands.

✓ **Investment in Community Mental Health Teams**

Good mental health is the foundation of a happy childhood; yet child and adolescent mental health has been traditionally neglected in favour of physical health services. Budget 2012 committed €35 million to the development of Community Mental Health Teams, as outlined in *A Vision for Change*. This is welcome: even in straitened economic times we must invest in mental health as a central and critical arm of our health service. It is not known what proportion of the €35 million allocated to Community Mental Health Teams will be allocated to Child and Adolescent Mental Health Services.

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7 Money for the ECCE year was provided from savings made on abolishing the Early Childcare Supplement in 2009, €170 million was spent on the year from the overall savings of €480 million.

8 J. Heckman, and D. Masterov (2007) *The Productivity Argument for Investing in Young Children, Discussion Paper Number 2725*, Germany: Institute for the Study of Labor. See also, Start Strong (2009) *Why Early Care and Education?* Available at www.startstrong.ie

9 A cost-benefit analysis in 2005 showed that for every €1 invested in ECCE in Ireland, a return of up to €7.10 could be expected National Economic and Social Forum (2005) *Report no. 31: Early Childhood Care and Education*, Dublin: National Economic and Social Forum Annex 5.1, p. 143.

Key Negatives of Budget 2012

✗ **Child Benefit Payment Cut**

The Child Benefit Payment, the only payment targeted at all children in Ireland, was cut for families with three or more children, almost a quarter of all families in Ireland, despite evidence that these families are particularly vulnerable to poverty. EU SILC figures for 2010 show a rise in consistent poverty from 6.3% in 2009 to 9.6% in 2010 among families with more than three children.[10] Budget 2012 reduces the payment by €19 monthly for the third child and €27 monthly for the fourth and subsequent child. This cut comes on top of cuts to Child Benefit in Budgets 2010 and 2011, showing that Government rhetoric about protecting children and families does not translate to reality.

✗ **Back to School Clothing and Footwear Allowance Cut**

Education is a proven route out of poverty, and is vital to improving children's life chances. In recent years, more and more families are struggling with the cost of school, with the Back to School Clothing and Footwear Allowance (BSCFA) providing some much needed help at a costly time of year. Barnardos research found that, in 2011, going back to school cost €350 for a child in junior infants and €805 for a 1st year pupil in secondary school. The BSCFA was never enough to cover these costs, but it helped. Now, cuts of €55 and €50 for a secondary and primary school child respectively will seriously affect parents' ability to provide for their children at this important time of year.

✗ **Harsh changes to the One Parent Family Payment**

One parent families are the group consistently identified as being at greatest risk of poverty. Children in these families need more support from the State, not less; but rather than support them, Budget 2012 has opted to cut the core payment supporting these families, reducing the upper age limit of the youngest child for new claimants of the payment to seven years (down from 14 years) on a phased basis. This means lone parents will be deemed available for work in an environment where there are few jobs and no comprehensive child care or after-school care. In addition, the amount a lone parent can earn while still being allowed to claim the payment is being reduced from €146 to €60 weekly over a five-year period, a move that risks disconnecting this group from the labour market completely, by dis-incentivising work.

✗ **Children with disabilities targeted**

Budget 2012 picked the most vulnerable as its victims; children with disabilities aged 16 and 17 years were previously entitled to the Disability Allowance. This entitlement was cut in Budget 2012 and the Domiciliary Care Allowance provided to the same group as an alternative; but at significantly less value: the Domiciliary Care Allowance is paid at €309.50 monthly, compared to €832.57 with the Disability Allowance. A cut of over €500 monthly to the most vulnerable children is unforgiveable. This cut was 'paused' by the Taoiseach on 7 December and will be reviewed by the Minister for Social Protection.

✗ **Increased cost of School Transport**

Increases to the cost of school transport come on top of cuts to other supports for children. For many families in rural areas, school transport is not a choice; it is the only way for children to get to school. Doubling the cost of this vital service after just one year is deeply unfair to children and to families, and does further damage by associating school with financial stress and worry; rather than learning, socialising and achievement.

✗ **20% cut to Department of Children and Youth Affairs Policy and Legislation budget**

Legislative reform is urgently required to ensure the successful passage of a children's rights referendum and the full implementation of the Ryan Report Implementation Plan. Legislative reform relating to children is often of a pressing nature as delay can impact negatively on children. The policy and legislation unit at the Department of Children and Youth Affairs must have sufficient capacity and expertise to draft legislation in all areas for which the Department has direct responsibility, including the complex area of child protection. This

10 Central Statistics Office (2011) *European Union Survey of Income and Living Conditions (EU SILC) 2010*; Cork: CSO.

Unit was already operating under pressure; a 20% cut severely impacts the speed at which legislative change for children can be introduced.

The following section looks at the changes introduced in the four principal departments affecting children: Social Protection; Education and Skills; Health and the HSE; and Children and Youth Affairs.

It also looks at a variety of measures impacting on children from other Government departments and Agencies including: the Department of Justice and Equality; the Department of Transport, Tourism and Sport; the Department of Finance; the Office of the Revenue Commissioners; the Department of Environment, Community and Local Government.

1. Social Protection

The Social Protection budget will be €20.5 billion in 2012, a reduction of €0.1 billion on the 2011 allocation of €20.6 billion. The Department was required to make €475 million in savings in 2012, under the Government's plan to generate additional revenue of €3.8 billion, outlined in the *National Recovery Plan*.[11] The Social Protection vote (number 37) made up 40% of Government current spending in 2011.

CUTS

Child Benefit Payment

The universal Child Benefit payment is paid to almost all parents in Ireland to support them with the costs associated with bringing up a child. In 2011, an estimated 600,030 families received the payment, on behalf of 1,142,728 children.[12] Child Benefit was paid at two different rates: €140 per month for the first and second child, €167 per month for the third child, and €177 per month for the fourth and subsequent children.

- Budget 2012 phases out the higher rate entitlements for third and subsequent children over two years.
  - In 2012, the monthly rate for the third child will be €148 (€19 reduction) and for the fourth and each subsequent child will be €160 (€27 reduction).
  - In 2013, (provided there are no additional changes to the rate for the first child) there will be a further €8 reduction for the third child, and a €20 reduction for the fourth and subsequent children.
- There were no compensatory measures for families on low incomes. The level of the Qualified Child Increase payment and the Family Income Supplement payment were unchanged.[13]
- The Advisory Group on Tax and Social Welfare, established by the Minister for Social Protection, Joan Burton TD in June 2011, will advise on further structural reforms, to be considered by the Minister in 2012.
- Budget 2012 abolished grants for **multiple births**; these are equal to €635 paid at birth for all multiple births, and further grants of €635 paid when the children are 4 years of age and 12 years of age.

Saving: €44.7 million in 2012; €70.7 million in a full year.

Back to School Clothing and Footwear Allowance

The Back to School Clothing and Footwear Allowance helps meet the cost of uniforms and footwear for children going to school. In October 2011, 363,000 children in 191,000 families received the payment. The scheme operates from June to September each year and is paid to parents in receipt of certain social welfare payments or payments for training, employment schemes or adult education, on behalf of children between the age of 2 and 22 years in education.

- Budget 2012 reduced the value of the Back to School Clothing and Footwear Allowance from €305 to €250 for children aged 12 years or more and from €200 to €150 for children aged 4-11 years.
- Budget 2012 increased the age at which a child will be eligible for the Back to School Clothing and Footwear Allowance from 2 to 4 years of age.

Saving: €26.3 million; €26.3 million in a full year.

One Parent Family Payment

The One-Parent Family Payment (OPFP) is a payment for men and women who are bringing up children without the support of a partner. Those in receipt of this payment must meet certain conditions, satisfy a means test and have attempted to get maintenance from the child's other parent (father or mother). From April 2011 on, claimants are only entitled to the payment until their child reached 14 years.

- Budget 2012 reduced the upper age limit of the youngest child for new claimants from 14 years to 12 years in 2012. This will be further reduced to seven years on a phased basis up to 2014.

11 Government of Ireland (2010) *The National Recovery Plan 2011-2014 Dublin: Stationery Office.*
12 Information received by the Children's Rights Alliance from the Department of Social Protection, December 2011.
13 The Qualified Child Increase (QCI) supports children that live in families who rely on social welfare as their only income. The Family Income Supplement (FIS) is designed to incentivise parents into employment.

- The amount of earnings disregard (e.g. the amount a lone parent can earn while still being allowed to claim the full payment) will be reduced from €146.50 to €130.00 per week in 2012 for new and existing recipients. Further reductions will be introduced over the following 4 years, to reach a total income disregard of €60 per week by 2016.
- The temporary payment of half of the rate where the recipient's earnings exceed €425 per week will be discontinued. Existing recipients of the temporary payment will not be affected.
- Entitlement to two qualified child increases (currently €29.80 per week), where a recipient is also on Community Employment Scheme, will be discontinued.

Saving: €20.7 million in 2012; €112.2 million in a full year

Disability Allowance

The Disability Allowance is a weekly allowance paid to people with a disability; it was available to people with disabilities from 16 years of age. The Domiciliary Care Allowance is a monthly payment to the carer of a child with a disability so severe that the child requires care and attention and/or supervision substantially in excess of another child of the same age.

- Budget 2012 increases the age of entitlement for Disability Allowance to 18 years, meaning that young people aged 16 and 17 will no longer qualify for the payment (€832.57 monthly).
- As a compensatory measure, entitlement to the Domiciliary Care Allowance was extended to those between 16 and 18 years with disabilities, however this is paid at the lower rate of €309.50 per month (resulting in a reduction of €523.07 per month).

Saving: €7 million in 2012; €46.6 million in a full year.

NOTE: The Taoiseach, speaking to the Dáil the day after the Budget on 7 December ,stated that this measure will be 'paused' and will be reviewed by the Minister for Social Protection.

Qualified Child Increase and Family Income Supplement

The **Qualified Child Increase** (QCI, also known as the Qualified Child Allowance) is a critical targeted measure for addressing child income poverty. It supports children that live in families who rely on social welfare as their only income, often due to a parent's illness or disability, or full time caring responsibilities. **Family Income Supplement** (FIS) is a weekly tax-free payment available to employees (not self-employed) with children. It gives extra financial support to people on low pay.

- Budget 2012 tightens eligibility for the half rate QCI (€14.90). From July 2012, where a person claiming Invalidity Pension, Carer's Benefit, State Pension (Contributory or Transition) or Incapacity Supplement has a spouse or partner with income of over €400 a week, payment of the half-rate QCI will be discontinued.
- Income from weekly carers' payments will now be included in calculating entitlement to the Family Income Supplement (in line with other welfare payments). This measure takes effect from January 2012 for new applicants and on renewal for all others.

Saving: €0.4 million in 2012; €8 million in a full year.

Rent supplement

Rent Supplement provides short-term income support to assist those eligible with private rented accommodation costs.

- Budget 2012 increased the minimum weekly contribution by single tenants towards rent for the purposes of Rent Supplement by €6 to €30 per week. The minimum contribution payable by couples will be €35 per week.
- New rent limits will be introduced in 2012.

Saving: €55 million in 2012; €55 million in a full year.

Fuel Allowance

- Budget 2012 reduces the fuel allowance season by six weeks, from 32 weeks to 26 weeks for all recipients.

Saving: €51 million in 2012; €51 million in a full year

Farm Assist
Farm Assist is a means-tested income support scheme for farmers. It is similar to Jobseeker's Allowance, but has a more generous means test. Those in receipt of Farm Assist also qualify for Qualified Child Increase.

- Budget 2012 amends the means test for Farm Assist by raising the assessment of means from self-employment, including farming, from 70% to 85%. The deductions for children are being halved to €127 per year for each of the first two dependent children and €190.50 per year for each subsequent child.

Saving: €5.2 million in 2012; €5.2 million in a full year

Facts on Child Income Supports

Child Benefit
Paid to 600,030 families on behalf of 1,142,728 children (2011 estimate)

2010 rate:	€150 per month for the first and second child (a cut of €3.68 per week/10% on 2009)
	€187 per month for the third and subsequent child (a cut of €3.68 per week/10% on 2009)
2011 rate:	€140 per month for the first and second child (€10 monthly cut)
	€167 per month for the third child (€20 monthly cut)
	€177 per month for the fourth and subsequent children (€10 monthly cut)
2012 rate:	€140 per month for the first and second child (no change)
	€148 per month for the third child (€19 monthly cut)
	€160 per month for the fourth and each subsequent child (€27 monthly cut)

Qualified Child Increase
Paid to 262,749 families on behalf of 494,590 children (full rate = 369,156 half rate = 125,434) (end 2010)

2010 rate:	Increase full rate to €29.80 (€3.80 increase) and half rate to €14.90 (€1.90 increase) per week to compensate for cut to Child Benefit.
2011 rate:	Unchanged
2012 rate:	Unchanged. Eligibility criteria for half rate QCI tightened.

Family Income Supplement
Paid to 28,223 families on behalf of 62,240 children (end 2010)

2010 rate:	All Family Income Supplement (FIS) income thresholds will increase by €6 per week per child. This is equivalent of just under €4 per child in cash terms.
2011 rate:	Unchanged
2012 rate:	Unchanged. Eligibility criteria relating to carers' payments changed.

Number of Children Affected
Together, QCI and FIS support approximately 523,000 children. This leaves approximately 620,000 children without any additional support from the State beyond the basic child benefit payment.

Savings made to the Exchequer
Overall savings from the cut to Child Benefit in 2012 will be €44.7 million in 2012 and €70.7 million in a full year.[14]

[14] This figure includes changes made to the multiple births payment.

2. Education and Skills

The Department of Education and Skills was allocated an overall gross budget of €8.2 billion in 2012, representing 17% of all current expenditure for 2012.[15] This compares to an allocation of €8.8 billion in 2011. Capital expenditure will account for €430 million of the Department's budget in 2012, as outlined in *Infrastructure and Capital Investment 2012-2016: Medium Term Exchequer Framework*. Education savings made in Budget 2012 will equal €132.3 million.[16] The Education vote (number 26) makes up 17% of all Government current spending.

SPENDING

School Buildings

- The Taoiseach, in his address to the nation on 4 December committed to investing in crucial projects, of which one was school buildings.
- Budget 2012 allocates €362 million to building, equipment and furnishing of national and secondary schools. This is a reduction on the 2011 investment of €418 million; however given the substantial spend in this area, the suspension of other capital projects, and taking into consideration the economic climate, we have classed this as spending in our analysis.
- The *Infrastructure and Capital Investment 2012-2016: Medium Exchequer Framework*, published in November 2011, states that, by 2016, there will be an additional 70,000 pupils in school at primary and second-level.[17] The Framework allows for the delivery of an additional 40 schools and expansion or new buildings for another 180 schools.

Special Needs

Children with special care needs arising from a disability, who are attending a mainstream school, can be allocated a **Special Needs Assistant** (SNA). SNAs provide practical (rather than educational) support, such as assisting a child with eating or using the bathroom. **Resource Teachers** provide educational support to children with special educational needs.

- There is no reduction in the overall number of Special Needs Assistants or Resource Teachers. Allocations will continue to be managed within existing resources.

Literacy and Numeracy, Junior Cycle Reform and High Speed Broadband

- Budget 2012 allocated almost €10 million to commence implementation of actions in the new National Literacy and Numeracy Strategy, work on Junior Cycle reform and a phased rollout of high speed (100mbps) broadband to second level schools.
- No further detail is provided in the Budget documentation on the specific allocation in relation to Junior Cycle reform and rollout of high speed broadband.

Teacher Numbers in DEIS Schools

DEIS (Delivering Equality of Education in Schools) is the current programme employed by the Department of Education and Skills to address educational disadvantage. It has been operational since 2005.

- Budget 2012 introduced a new staffing schedule for the 199 DEIS Band 1 Primary schools, based on a general average of one teacher for every 22 pupils. This replaces the current scheme of giving DEIS Band 1 schools a 'top up' allocation on the existing standard staffing schedule to enable them to

15 This figure reaches €8.604 billion when the additional €362 million annual allocation for the National Training Fund is added. The 2011 allocation takes account of upward expenditure pressures mainly in relation to student support payments, the cost of pensions and demographic increases. It also takes account of savings of some €175 million to be secured across the education sector.

16 Savings will come from provision of guidance counsellors to come from within existing teacher allocations (€10.4 million); reduction in capitation grants (€7 million); withdrawal of pre-DEIS disadvantage supports (€6.5 million); reduction in costs associated with trainee and apprenticeship programmes (€19.2 million); reduction in core funding for higher education (€23.6 million); and increase in the third level student contribution (€18.5 million).

17 Department of Public Expenditure and Reform (2011) *Infrastructure and Capital Investment 2012-2016: Medium Exchequer Framework*.

implement reduced class sizes of 20:1 in junior classes and 24:1 in senior classes. This measure is intended to give greater autonomy to DEIS Band 1 schools.
- Budget 2012 introduced a more favourable pupil teacher ratio in all 195 DEIS second level schools, from 19:1 to 18.25:1.

CUTS

School Transport
The School Transport Scheme provides subsidised school transport to eligible pupils.[18]
- €169.6 million will be provided for school transport in 2012, a reduction of just over €10 million on the 2011 allocation.
- The charge for primary school transport will increase from €50 to €100 (the €50 fee was introduced in Budget 2011).
- The family maximum at primary level will increase to €220 from €110 (the €110 fee was introduced in Budget 2011).
- The family maximum at post primary level remains unchanged at €350, and the overall family maximum charge also remains unchanged at €650.
- The new measures will be offset by a reduction in concessionary charges at primary level with the charge reducing from €200 to €100.

Saving: €0.4 million in 2012, €1 million in a full year.

Schools Funding
Capitation grants are paid per student to each primary school. Capitation grants are used for the day-to-day running of schools and for teaching materials and resources.
- There will be a 2% reduction in funding for **capitation and related grants** to primary and second level schools in 2012 and 2013. The reduction will be made through changes to the basic capitation rates. The new basic rate for primary schools will be €183, and €317 for secondary schools.
- The reduction in capitation will apply to all schools, but DEIS schools will continue to receive the enhanced DEIS capitation grant which is not being reduced.
- Other grants, including book grants, will remain at current rates.[19]
- Budget 2012 abolishes the **Modern Languages in Primary Schools Initiative**. This initiative operated on a pilot basis since 1998 and involved approximately 500 schools. Savings generated from this cut will be directed towards the cost of implementing the new Literacy and Numeracy Strategy.
- The administration fee paid to schools for the **supervision/substitution scheme** will be reduced from 5% to 2%.

Savings: €11 million in 2012; €24.6 million in a full year.[20]

Teacher Numbers
- There will be an overall net reduction of approximately 200 teaching posts (0.3%) for the 2012/13 school year (taking account of demographics at primary and secondary level).
- There is no increase in the general average of 28:1 for allocation of primary classroom teachers for the 2012/13 school year.
- A one point increase in the staffing schedule for all **post-primary fee-charging schools** will be introduced. This change will increase the pupil teacher ratio in these schools to 21:1.
- Phased reductions will be made for the staffing schedules in **primary schools with one, two, three and four teachers** (less than 86 pupils) by increasing the number of pupils required for allocation of a teacher. The minimum number of pupils required for allocation of teaching posts will be increased. This will happen on a phased basis to allow schools affected to consider amalgamation, where feasible.

18 Note: even when a pupil meets the age and distance criteria for school transport, there is no legal entitlement to school transport.
19 Budget 2011's 5% reduction in capitation extended to grants including ancillary and support services funding and book grants. This measure does not apply for 2012; however changes will be announced in early 2012 to the operation of the school book grant to incentivise the establishment of book rental schemes in schools; as part of the on-going initiative to reduce school related costs for parents.
20 Breakdown of this saving is as follows: reduction in capitation grant: €7 million in 2012; €20.6 million in a full year. Modern Languages in Primary Schools Initiative: €2.5 million in 2012/13; €2.5 million in a full year. Supervision/substitution costs: €1.5 million in 2012; €1.5 million in a full year.

- No additional allocation will be provided for **guidance counselling** (at present there is a separate allocation for these roles). This will be managed by schools from within their existing teacher allocation.
- There will be a further reduction in **language support teachers**, falling to 900 from the current 1,120 posts by the 2014/15 school year. The reduction, of 220 posts, will be implemented in the 2013/14 and 2014/15 school years and will mainly affect primary level, as this is where most language support teachers are currently located.
- Reforms of teacher allocation processes will come into effect in the 2012/13 school year. These reforms are intended to increase school autonomy and to help the teacher allocation process to operate more smoothly within a climate of fixed ceilings on teaching posts.

Teacher Numbers in DEIS Schools

The DEIS (Delivering Equality of Education in Schools) programme addresses educational disadvantage.

- 428 'legacy' disadvantage posts will be withdrawn on a phased basis. These posts were allocated to some schools under previous disadvantage programmes, prior to the introduction of DEIS in 2005. The posts will be gradually withdrawn over a three year period starting in 2012/13 school year. 20 of these posts will be re-allocated to provide for the continuous professional development element of the new National Literacy and Numeracy Strategy.

Saving: 19.4 million in 2012; €75.9 million in a full year.[21]

Teacher Education

- Abolition of grants towards the cost of student teachers' attendance at summer Gaeltacht colleges; reductions in the provision of initial teacher education; reductions in provision of Continuing Professional Development (CPD) for teachers.
- Savings made here will be used to offset the cost of providing CPD associated with the new Literacy and Numeracy Strategy.

Saving: 3 million in 2012; €3 million in a full year.

Further Education and Training

- The two existing allowances paid to 16 and 17 year olds participating on **Youthreach, Community Training Centre** and **FÁS courses** are being merged and reduced to one standard rate of €40, from the current rates of €76.65 and €95.75.

Savings: €1.7 million in 2012; €5.1 million in a full year.

21 Breakdown of this saving is as follows: increase in staffing schedule in fee-paying second-level schools saving in 2012 €1 million; saving in a full year €3.2 million. Reduction in posts for small schools (1,2, 3 and 4 teacher schools) saving in 2012 €1.5 million; saving in a full year €15 million. Saving from change in Guidance Counselling provision saving in 2012 €10.4 million; saving in a full year €32 million.

3. Health

The overall Health budget for 2012 will be €13.6 billion, a reduction of €366 million on the 2011 budget of €14.1 billion.[22] Health will make up 26% of all current Government expenditure in 2012, drawn from two votes: the Department of Health (vote number 38)[23] and the HSE vote (vote number 39). Capital investment in health for 2012 is €390 million.[24] Savings made from the health budget will total €543 million in 2012.[25]

The impact on services of measures announced in Budget 2012 will be addressed in the HSE's *National Service Plan 2012*, which is expected to be presented to the Minister for Health for approval before Christmas.[26]

Budget 2012 did not increase excise duty on alcohol, however during the Budget speech the Government made reference to its intention to introduce legislation in 2012 in the area of low cost of alcohol sold in off-licenses and supermarkets.

SPENDING

Mental Health

- Budget 2012 commits €35 million for the development of community mental health teams and services as outlined in "A Vision for Change".
- It is not clear what proportion of this will focus on child and adolescent mental health services.

Primary Care

- Budget 2012 allocated €15 million to provide free GP care for people on the long-term illness scheme, as committed to in the Programme for Government.

Children's Hospital

- The Taoiseach, in his address to the nation on 4 December 2011 committed to investing in crucial projects, of which one was the Children's Hospital.
- The Children's Hospital is not specifically named in the HSE sub-head (vote 39: C.2) which refers to 'building, equipping and furnishing of health facilities' (part funded by the national lottery). This sub-head is allocated €2,473 million for 2012 (a reduction on €2,539 in 2011).
- The *Infrastructure and Capital Investment 2012-2016: Medium Exchequer Framework*, published in advance of the Budget, commits to funding the new National Children's Hospital using a large upfront payment arising from the new National Lottery licence to complement Exchequer funding.[27] Taking this approach allows scarce Exchequer funds to be allocated to other areas such as primary health care centres and providing school places.

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22 The original gross health sector budget allocation for 2011 was €13,748m. This figure has been reduced to €13,644m. The net cash reduction required in 2012 is €183m, €104m saving on the gross Budget and an additional €79m to be achieved by generating additional income thus reducing the net allocation from the Exchequer. It should be noted that the figures published in the Estimates for 2011 are €163m higher than the original allocation. This is due to a number of once off technical adjustments to the 2011 allocation. In addition to the target saving of €183m, there is an additional €310m required to meet unavoidable cost increases in superannuation, demand-led schemes and Fair Deal and €50m to meet Programme for Government commitments. As a result, savings measures amounting to €543m in total have been agreed by Government.

23 Vote 38: €339,497,000 for 2012; vote 39: 12,145,516,000 for 2012.

24 This is to include primary care, mental health, older people, disability, acute hospitals, and three high priority national projects: The National Children's Hospital, replacement of the central mental hospital and the national project for oncology.

25 Saving are drawn from a combination of reducing numbers and containing pay costs (€145 million); introducing measures to reduce the price of drugs and reducing fees for services (€112 million); increasing the monthly threshold under the Drug Payment Scheme (€12 million); efficiencies in procurement (€50 million); improving generation and collection of private income in public hospitals (€143 million); and efficiencies in disability, mental health and children's services (€50 million).

26 Information received by the Children's Rights Alliance through the Health Linkage Group of the Community and Voluntary Pillar of Social Partnership.

27 Department of Public Expenditure and Reform (2011) *Infrastructure and Capital Investment 2012-2016: Medium Exchequer Framework*.

CUTS

Drug Payment Scheme

The Drug Payment Scheme provides a threshold over which individuals and/or families do not have to pay for approved prescribed drugs, medicines and certain appliances.

- Budget 2012 increases the threshold for the Drugs Payment Scheme by €12 per month, from €120 to €132 (from January 2012).

Saving: €12 million (estimate).

Hospital beds

At present, public hospitals cannot charge private patients who occupy public beds. This means the public hospital system loses out on income, while providing a subsidy to private health insurance companies.

- New legislation will be introduced in 2012 to allow public hospitals to raise charges in respect of all private patients occupying beds in public hospitals.[28] This change is expected to have a knock-on effect on the cost of private health insurance.

Saving: €143 million in 2012; €268 million in a full year.

Service Efficiencies

Budget 2012 will secure 2% efficiencies in disability, mental health and children's services. It is not clear how these efficiencies will be generated.

Saving: €50 million.

Health Service Executive

Health Service Executive

HSE Child and Family Services

Budget 2012 introduces a new sub-head (B.15) to the HSE vote (number 39), linked to the establishment of the Child and Family Support Agency. Once established and operational, the Agency will come under the remit of the Department of Children and Youth Affairs; this is expected by end 2013.

- €568 million has been provided for child and family services in the HSE in 2012, a reduction of €19 million (3%) on the €587 million provided in 2011 (in an equivalent provision).
- The Department of Children and Youth Affairs is engaged in a process with the HSE to further review and refine the detailed sub-head.

HSE Regions and other Health Agencies

Budget 2012 reduces the annual budgets for each of the Dublin HSE regions by 12% (Dublin Mid Leinster and Dublin North East) and reduces the HSE South and West regions by 11%. It is not clear from the Budget documentation what impact this cut will have on services. This will be outlined in the HSE Service Plan 2012.

28 The increases will be in line with the methodology recommended in the Department of Health (2010) *Value for Money and Policy Review of the Economic Cost and Charges Associated with Private and Semi-Private Treatment Services in Public Hospitals – Interim Report.*

4. Children and Youth Affairs

The Department of Children and Youth Affairs was established on 2 June 2011. It is provided with its own vote, vote 40, and a budget of €401 million in Budget 2012.

The new Department comprises the activities of the Office of the Minister for Children and Youth Affairs and the following functions which are (or are due to be) transferred into the new Department from various Departments: the Early Years Education Unit; the Irish Youth Justice Service; the Family Support Agency and the National Education and Welfare Board.

The Office of the Minister for Children and Youth Affairs was provided with €326m in Budget 2011. The vote of the OMCYA, vote 41, has been retired (ended) in Budget 2012.

In the Revised Estimates of July 2011, a vote for Children and Youth Affairs was included and detailed specific budget sub-heads linked to programmes of work. Budget 2012, however, does not provide a similar breakdown of specific sub-heads under the Children and Youth Affairs vote (number 40) so it is not possible to compare the Revised Estimates of July 2011 and Budget 2012.

As mentioned on page 14 of this report, Budget 2012 provided €568.9 million for the HSE Child and Family Services. We understand this budget line will transfer to the Department of Children and Youth Affairs in 2013.

The funding stream for the Office of the Ombudsman for Children (OCO) is in the process of being transferred from the Health vote to the Children and Youth Affairs vote. This process is not yet finalised, hence no vote line for the OCO appears in Budget 2012.

SPENDING

Constitutional Referendum on Children's Rights

- €3 million allocated to finance the holding of a referendum on children's rights. This is a repeat of the allocation made in Budgets 2010 and 2011; the Referendum has yet to be held.

Cost: €3 million.

Universal Free Pre-School Year

The Universal Free Pre-School Year was introduced in January 2010 and currently supports approximately 65,000 children annually. It provides one year free pre-school to every child for up to three hours a day, in the year prior to commencing primary school. The measures relating to the Pre-School Year in Budget 2012 are a mix of spending (to deliver the programme) and cuts (outlined below); given the substantial spend on this programme and taking into consideration the economic climate, we have classed this as 'spending' in Budget 2012.

- Budget 2012 maintains the free pre-school year in its current form and provides additional funding to meet demographic pressures arising from the increased birth rate since 2007.[29] The free pre-school year will enter its third full year in 2012.
- Capitation rates paid to pre-school providers will be reduced by 3% (€2 per week).
- Maximum staff to child ratios will be increased from 1:10 to 1:11 in September 2012.

Youth Funding

- The 2012 capital budget provides €1.5 million for youth projects, almost double the €0.8 million provided in 2011. This will support the further development of youth cafés.

29 In line with these demographic trends the number of children participating in the programme is set to increase from 63,000 in 2010 to 68,000 in 2014.

CUTS

Childcare

The Community Childcare Subvention (CCS) programme subsidises childcare to disadvantaged families that use community-based not-for-profit childcare facilities. The Childcare Employment & Training Support (CETS) scheme provides qualifying FÁS and VEC students with free childcare places for the duration of their course.

- Budget 2012 reduces the higher capitation rate for the CCS from €100 to €95 for 5 days of full day-care (and pro-rata reductions for half day/sessional places) from September 2012; and reduces the capitation rate for the CETS from €170 to €145. Services in the CETS scheme will be allowed to charge a top-up fee of up to €25 (this is the only contribution payable by trainees to avail of full childcare services).
- Eligibility criteria for the CCS will be tightened, with a person in receipt of welfare only getting the full rate of subvention if they also qualify for a medical card. If they do not qualify for a medical card then a lower rate of €50 will apply.

Saving: €1.6 million in 2012; €1.6 million in a full year.

Policy and Legislation programme

- Budget 2012 reduces the budget for the policy and legislation programme in the Children and Youth Affairs vote by 20%, from €25,927 in 2011 to €20,697 in 2012.

Family Support Agency

- Funding to the Family Resource Centres will be cut by 5% to €795,000.
- Funding for the counselling grants scheme provided to 28 large organisations and 580 smaller organisations will be reduced by €1.2 million in 2012.

Saving: €2.3 million in 2012; €2.3 million in a full year

Research

- A reduction in the level of contractual commitments in relation to *Growing Up in Ireland: the National Longitudinal Study on Children*, will lead to savings.
- 'Other research and youth programmes' will be reduced, pending review, which is intended to enhance efficiency and effectiveness.

Saving: €4.4 million in 2012; €4.4 million in a full year.

Youth Funding

- Youth funding schemes, with the exception of voluntary local youth work grants, will be reduced by 5%. Further reductions will apply under the Youth Service Grant Scheme to national youth organisation headquarters.
- There will be further measures in subsequent years: five existing funding schemes that support local staff-led youth work will be merged, allowing youth work organisations more flexibility in managing their financial allocations and to reprioritise and reconfigure service provision to better respond to the needs of young people and communities.
- Youth Cafés will be funded from the existing capital envelope.

School Completion Programme

- Funding to the School Completion Programme will be reduced by €2 million, or 6.5% in 2012; pending review, which is intended to enhance efficiency and effectiveness.

Saving: €2 million in 2012; €2 million in a full year.

Prevention and Early Intervention Programmes and Children's Services Committees

Savings will be made on these three programmes in 2012, in the following ways:

- funding from existing capital envelope;
- conclusion of Pilot Projects; and
- reduction of 5% to the allocation to Children's Services Committees.

Saving: €2.8 million in 2012; €2.8 million in a full year.

5. Additional Departments

Department of Justice and Equality

- The Irish Youth Justice Service remains within the Justice and Equality vote (vote number 24) despite a Government commitment to integrate this function into the Department of Children and Youth Affairs.
- The capital budget for the Irish Youth Justice Service is increased from €50,000 in 2011, to €350,000 in in 2012.
- The overall allocation to the Irish Youth Justice Service is increased by 3%, from €35,541 million to €36,318 million.

Department of Transport, Tourism and Sport

- Funding for 'sports and recreation services' has been reduced by 9%, from €88,746 million in 2011 to €80,622 million in 2012. As part of this, funding for the Irish Sports Council and the various sporting organisations and programmes within it has been reduced, to yield a saving of €2 million in 2012.

Department of Finance

- Budget 2012 changed the threshold of the Universal Social Charge to exempt low-paid, part-time and seasonal workers with an annual income of less than €10,036 from the charge (previously only workers with an income of less than €4,004 were exempt).[30]

Office of the Revenue Commissioners

- Budget 2012 made no changes to income tax rates, bands or credits.
- Budget 2012 increases the standard rate of Value Added Tax (VAT) from 21% to 23% as of 1 January 2012. The increase will apply to all goods that are currently subject to the 21% rate. Certain items relevant to children and families have a zero VAT rate, and so are not affected by this change, these are: food, children's clothing, oral medicines and books.[31]
- A 25c increase in excise duty on a pack of 20 cigarettes was introduced, effective from midnight on 6 December 2011.

Department of Environment, Community and Local Government

- Current spending for the Department is reduced by €185 million on the 2011 figure, to €467 million for 2012.
- A **household charge** of €100 per household was introduced. The charge is expected to raise up to €160 million annually and is an interim measure pending design and implementation of a full property tax, which will apply in 2014.
- Funding to **Local Government**, via the Local Government Fund, is **cut by 84%**. The Exchequer contribution to the Local Government Fund (€164 million in 2011) will end in 2012 and be replaced by revenue from the new household charge.
- Provision of funding for the **Local and Community Development Programme** was reduced by 4%, yielding savings of €8 million in 2012 and €8 million in a full year.
- An additional €10 million will be provided in 2012 to allows transfers onto the Rental Accommodation Scheme (RAS).
- No detail on specific grants to the Community and Voluntary Sector was available at time of writing.

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30 The Universal Social Charge was introduced in Budget 2011, replacing the health levy and the income levy.

31 Goods and services associated with tourism and leisure have a 9% VAT rate, introduced in 2011. This rate will extend to VAT on admissions to open farms in 2012. A further set of goods have a 13.5% VAT rate, these are: construction, hotel accommodation, restaurant services, newspapers, fuel and certain labour intensive services. The new 23% rate will apply to all other goods and services.

APPENDIX I – EXTRACTS FROM ALLIANCE PRE-BUDGET SUBMISSION

The following is an extract from the Alliance Pre-Budget Submission to the Department of Social Protection. Full copies of the submission is available on our website www.childrensrights.ie

BUDGET 2012 – Core Measures

Effective social protection requires the different strands of social welfare supports to develop in an integrated fashion. The interaction between child income supports and other policy measures (support for lone parents, adult social welfare rates, education supports, activation measures and housing supports) must be considered in relation to all budgetary measures, given that a change in one could impact on others.[32]

Countries with low child poverty rates rely on a range of policies: access to high quality public services for children, high employment rates, good child income supports and adequate adult social welfare payments. In Ireland, the cost of accessing community level services for children – such as childcare and health care – can be prohibitive. This, combined with inadequately targeted child income supports, means that child poverty remains stubbornly high. The following four recommendations outline concrete steps Government can take towards addressing these persistent problems, and eliminating child poverty in Ireland once and for all.

1. Bring forward clear plans to move towards **an integrated child income support payment**, as outlined in the 2010 *Value and Policy Review of Child Income Support and Associated Spending Measures* report.

The Department of Social Protection has undertaken a comprehensive analysis of child income support payments, and issued a series of recommendations that both serve to make payments more effective for children and families, and make the system more efficient for Government. Specifically, the key recommendation – to introduce an integrated child income support payment that builds upon existing payment structures and moves incrementally towards a single child-related payment with both universal and targeted components – must be progressed with haste. The preparatory work is done; it is now time for action.

2. Commit to **strategic integration of the tax and welfare systems** to support a move towards this new system of child income supports

The Alliance welcomes the Minister's convening of an Advisory Group on Tax and Social Welfare and has made a submission to this group, highlighting the urgency of its work in relation to child income support payments. Currently, the social welfare system is complex, daunting and cumbersome. Fundamental reform is required to make the system flexible and accessible to individual families' needs. A first step towards this should be integration – strategic rather than structural – of the tax and welfare systems.[33] This would involve greater coordination between the Revenue Commissioners and the Department of Social Protection, with closer cooperation on policy, standardisation of information systems and more transfer of information between relevant agencies, but not full integration of systems and services.[34] Such a move would help guard against poverty and unemployment traps and would signal a genuine commitment to developing a modern system of social protection as part of a more integrated public service.[35]

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32 In particular, the implications of any reform to the One Parent Family Payment should be examined. EU SILC figures from 2008 showed that lone parent households were the household type with the highest at risk of poverty rate (36.4% for individuals in these households). They also had the highest rate of consistent poverty among household types: almost one in every five people (17.8%) in lone parent households in 2008 experienced consistent poverty. Lone parent households also recorded the highest deprivation levels of any household type with nearly one quarter (24.2%) of these households experiencing three or more of the eleven deprivation indicators.

33 It is worth noting that there is already some overlap in the work of the Revenue Commissioners and the Department of Social Protection in relation to two existing tax credits: the One-Parent Family Tax Credit and the Home Carers' Tax Credit. See http://www.revenue.ie/en/tax/it/credits/one-parent-family.html and http://www.revenue.ie/en/tax/it/credits/home-carers.html [accessed 1 March 2010].

34 D. Clinton et al (1994), *The Commission for Social Justice: Integrating Taxes and Benefits?* London: Institute of Public Policy Research. See also M. Taylor (1998), *The Modernisation of Britain's Tax and Benefit System, Number Two: Work Incentives*, London: HM Treasury.

35 See OECD (2008), *Public Management Reviews - Ireland: Towards an Integrated Public Service*, OECD: Paris, p. 200.

3. Introduce an **ambitious new target to eliminate child poverty**, supported by a clear, well-resourced plan

Almost 19% of children (over 205,000 or one child in every six) were at risk of poverty in 2009: a larger proportion than in any other age group. Nearly 9% of children (over 96,000 or one child in every eleven) lived in consistent poverty in 2009: this is a significant increase on 6% in 2008. The consistent child poverty rate had fallen from 11% in 2005, in parallel with increases in Child Benefit, full employment and rising wages, but this trend has reversed largely due to rising unemployment and cuts in incomes and social welfare rates. Despite an abundance of money, child poverty did not end during the boom years. Now, as the Minister plans to introduce new poverty targets to meet our aims under the Europe 2020 Strategy there is a chance to address this issue once and for all. The Alliance calls on the Minister to introduce a meaningful target to reduce child poverty and a clear plan outlining how this will be achieved.

4. Allocate funds to the new **area-based poverty initiatives** committed to in the Programme for Government.

The area-based poverty initiatives, committed to in the Programme for Government, have the potential to end the inter-generational cycle of poverty that dominates a small number of our communities. The Department of Social Protection must work with the Department of Children and Youth Affairs to champion these initiatives and ensure they are adequately resourced.

BUDGET 2012 – Interim Measures

Until the new integrated child income support payment is introduced children must be supported through existing payments. Given the potential delay between design of the new system and transfer to it, the Alliance calls on the Minister to ensure that children are free from poverty by:

Supporting children in all families

The Child Benefit Payment is paid to (almost) every child in Ireland and is a clear statement by the Irish State that it values all children in Ireland equally.[36] In difficult economic times, this payment must be maintained at its current level. To reduce, tax or means-test Child Benefit would demonstrate a failure by Government to recognise its unique value to children and families. Particularly now, in uncertain economic times, a regular, reliable payment is of critical importance to families.[37]

Budget 2012 should:

- Maintain the Child Benefit payment at its current level.

Protecting children in families with low incomes

The Family Income Supplement (FIS) is designed to incentivise parents into employment; it also plays a key role in rewarding work and protecting those trying to remain in work but on very low incomes. However, take up of FIS has been lower than anticipated, and there are administrative barriers and stigma issues associated with it that have proved difficult to overcome. While FIS is not perfect, it does provide income support to about 31,000 working families,[38] and advances made to it in recent years are welcome. But there is still some way to go.

To be more effective, FIS requires some design changes. Families are increasingly being hit by budgetary cuts from different departments. In addition, many parents have had their working hours cut and thus may no longer qualify for FIS under the existing rules.[39] The FIS payment must adapt to provide such parents with the flexibility they need to stay in work. The benefits of FIS vary depending on family size. Increases in FIS thresholds for larger families over the past number of years are to be welcomed. However, 85.5% of families

36 The Child Benefit payment is not paid to those children who do not satisfy the Habitual Residency Condition.
37 See Children's Rights Alliance (2009) *Position Paper on the Child Benefit Payment,* www.childrensrights.ie
38 31,300 families are estimated to receive the FIS payment in 2012. Information received by the Children's Rights Alliance from the Department of Social Protection, September 2011.
39 To qualify for FIS you must be working 19 or more hours per week in employment that is likely to last at least 3 months, looking after a child or children and earning less than a set amount (which varies according to family size – starting at €506 per week for families with one child and rising to €950 a week with five children).

claiming FIS have 1 to 3 children,[40] yet despite this the increases in FIS thresholds for smaller families have been minimal in recent years. Finally, accessing FIS is still burdensome; it should be reformed to facilitate easier access by eligible families.

Budget 2012 should:

- Adjust the thresholds for the Family Income Supplement (FIS) to compensate for any changes in the rate of, or eligibility criteria for, income tax or the Child Benefit payment.
- Provide more generous increases for small families on FIS, and reduce the withdrawal threshold.
- Reduce the minimum weekly hour requirement for eligibility for FIS for a set period of time in light of the reduction in working hours that many low paid workers now experience.
- Introduce the following measures to increase the take up of FIS among eligible families:
    - Introduce self-assessment for claiming FIS.
    - Use the 'sign off' from the Live Register as a trigger for FIS.[41] For example, the Department of Social Protection could issue an information note to the person explaining how to claim FIS and detailing eligibility criteria and other relevant information on signing off from the Live Register.

Protecting children in families dependent on Social Welfare

The Qualified Child Increase (QCI) is a critical targeted measure for addressing child income poverty. It supports children that live in families who rely on social welfare as their only income, often due to a parent's illness or disability, or full time caring responsibilities. For these families, adult social welfare rates are the key component of household income and are, therefore, critical in reducing child poverty. The impact on children must be considered when making any changes to adult payments. Given the current uncertainty and unpredictability of the economy, the social welfare system must be able to respond to trends in patterns of employment, such as the growth in atypical employment.

Budget 2012 should:

- Maintain the real value of the Qualified Child Increase, by adjusting the payment to compensate for any changes to the rate of, or eligibility criteria for, the Child Benefit payment or social welfare payments.
- Maintain adult social welfare payments at their current rate.
- Adjust the eligibility test for Jobseeker's Allowance to take into account irregular patterns of employment.

Support families with the cost of school

The cost of education, particularly at the beginning of the school year, can be a serious strain for families on low incomes. The UN Committee on the Rights of the Child, in its *Concluding Observations* to Ireland in 2006, voiced its concern about the "de facto" cost of education and materials in schools, which are the responsibility of parents.[42] The Back to School Clothing and Footwear Allowance (BSCFA) is the key mechanism through which financial assistance is granted towards the cost of school, but this payment does not suffice to meet the cost of clothing and shoes for school. A survey of parents, undertaken by Barnardos in summer 2011 found that the average cost of sending a child to junior infants is €350, fourth class in primary school is €470 and first year in secondary is €805.[43] These costs cannot be met by the current BSCFA, which amounts to €200 for children aged 2-11 and €305 for children aged 11 and over in school. Additionally, there is an anomaly with the payment whereby income thresholds differ between two-parent and one-parent families, making it more difficult for one-parent families – who face the greatest risk of poverty – to access the payment.[44]

School books are an additional and significant cost for parents each school year. Government has encouraged schools to move to book rental schemes, but has not obliged schools to do this. Distribution of the School

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40 Information received by the Children's Rights Alliance from the Department of Social Protection, September 2011.

41 As recommended by the Expert Group on Integrating Tax and Welfare, 1996.

42 United Nations Committee on the Rights of the Child (2006), Concluding Observations: Ireland.

43 Barnardos (2011*) School Costs Survey Results*, http://www.barnardos.ie/assets/files/Advocacy/Barnardos%20School%20Costs%20Briefing%202011.pdf [accessed 8 September 2011]. The survey covered the cost of uniforms, shoes, books and 'voluntary' contributions to schools.

44 This means that a couple with one child can earn €563.60 and be eligible for the payment, while the earnings threshold for a lone parent is €410.10. This trend continues as family size grows. This discrepancy was noted in the Joint Committee on Social Protection (2010*) Fourth Report, Financial Disincentives to Cohabitation and Marriage*, but no clear recommendations were made to address it.

Book Grant Scheme is still at the discretion of school principals.[45] This year, following a campaign by St. Vincent de Paul, publishers committed not to undertake revisions to school books within four years of publishing; this will allow siblings to pass books on to one another and makes school book rental schemes more viable.

Budget 2012 should:

- Protect the Back to School Clothing and Footwear Allowance and ensure that additional staff are deployed to process payment in June, July and August 2012.
- Bring the income limits for BSCFA in line with those for the Family Income Supplement (FIS) and make the income limits the same for one parent and two- parent families.
- Make receipt of the School Book Grant (which is paid to all schools) conditional on introduction of a book rental scheme.

45 The Department of Education and Skills distributed €15m to schools in 2011 to cover the School Book Grant Scheme. This breaks down to €11 per pupil in non-DEIS primary schools and €21per pupil in DEIS primary schools; and €24 per pupil in non-DEIS second-level schools and €39 in DEIS second-level schools.

APPENDIX II – ALLIANCE POST-BUDGET PRESS STATEMENT

Wednesday 7 December: For immediate release

Government Turns Its Back on Children – Alliance Publishes Budget 2012 Analysis

A detailed analysis of Budget 2012, published today by the Children's Rights Alliance, documents the budgetary decisions that have effectively seen Government turn its back on children. This comprehensive analysis, entitled *Analysis of Budget 2012 and its Impact on Children*, provides the detailed information and fine print behind this week's media headlines.

Senator Jillian van Turnhout, outgoing Chief Executive of the Children's Rights Alliance, says: "Today we catalogue the story behind the headlines and provide detailed information from across a range of Departments in relation to children's rights issues. While there are some positives for children, notably the protection of key aspects of the education and early years budget, Budget 2012 is not child friendly. 'It takes a village to raise a child' so the saying goes, yet in this country of ours we are turning our backs on our children – and particularly those children who most need our help and support. The parents of our poorest children will feel this Budget the most – contrary to the principles of the UN Convention on the Rights of the Child. This is the group paying for the mistakes of others and it seems deeply unfair. We knew the Budget would involve difficult decisions, but Government has hit children who were already living on the breadline, and plunging them deeper into poverty."

The Alliance's Analysis includes a list of key negatives and positives:

Key Negatives

- **Child Benefit** cut for families with three or more children, affecting almost a quarter of all families in Ireland, and follows cuts in Budgets 2010 and 2011.
- **Back to School Allowance** cuts of €55 and €50 for secondary and primary school children respectively.
- Harsh changes to the **One Parent Family payment**, reducing the upper age limit of the youngest child for new claimants of the payment from 14 years to 12 years in 2012 (and down to 7 years by 2014). In addition, the amount a lone parent can earn while still being allowed to claim the payment is being reduced from €146 to €60 weekly over a five-year period.
- **School Transport** costs will double in just one year – hitting rural families and associating school with financial stress and worry.
- 20% cut to Department of Children and Youth Affairs' **Policy and Legislation budget**, severely impacting on the speed at which legislative change for children can be introduced.

Key Positives

- Allocation of €3 million for the holding of a **Referendum on Children's Rights** in 2012.
- Nearly €10 million earmarked for the **Literacy and Numeracy** Strategy, work on Junior Cycle reform and phased rollout of broadband to second level schools.
- Capital investment in **school buildings.**
- Maintained core funding for the **one year free pre-school** available on a sessional basis to every child in the year prior to commencing primary school.
- €35 million commitment to the development of **Community Mental Health Teams**, as outlined in *A Vision for Change*.

The Comprehensive Analysis is available to download from the Children's Rights Alliance web site at: www.childrensrights.ie

APPENDIX III – LIST OF ALLIANCE MEMBER ORGANISATIONS

Alcohol Action Ireland
Amnesty International Ireland
Ana Liffey Drug Project
Arc Adoption
Assoc. for Criminal Justice Research and Development (ACJRD)
Association of Secondary Teachers Ireland (ASTI)
ATD Fourth World – Ireland Ltd
Barnardos
Barretstown Camp
BeLonG To Youth Services
Bessborough Centre
Border Counties Childcare Network
Catholic Guides of Ireland
Catholic Youth Care
Child and Family Research Centre, NUI Galway
Childminding Ireland
Children in Hospital Ireland
City of Dublin YMCA
COPE Galway
Crosscare Drug and Alcohol Programme
Crosscare Teen Counselling
DIT –School of Social Sciences & Legal Studies
Doras Luimní
Down Syndrome Ireland
Dublin Rape Crisis Centre
Dun Laoghaire Refugee Project
Educate Together
School of Education, UCD
Enable Ireland
EPIC (formerly IAYPIC)
Focus Ireland
Forbairt Naíonraí Teoranta
Foróige
GLEN - Gay and Lesbian Equality Network
Headstrong - The National Centre for Youth Mental Health
Home-Start National Office Ireland
Inclusion Ireland
Inspire Ireland
International Adoption Association
Irish Association of Social Care Workers (IASCW)
Irish Association of Social Workers
Irish Association of Suicidology
Irish Autism Action
Irish Centre for Human Rights, NUI Galway
Irish Congress of Trade Unions (ICTU)
Irish Council for Civil Liberties (ICCL)
Irish Foster Care Association
Irish Girl Guides
Irish National Teachers' Organisation (INTO)
Irish Penal Reform Trust
Irish Preschool Play Association (IPPA)
Irish Refugee Council
Irish Second Level Students' Union (ISSU)
Irish Society for the Prevention of Cruelty to Children
Irish Traveller Movement
Irish Youth Foundation (IYF)
Jesuit Centre for Faith and Justice
Junglebox Childcare Centre F.D.Y.S.
Kids' Own Publishing Partnership
Kilbarrack Youth Project
Lifestart National Office
Mary Immaculate College
Matt Talbot Community Trust
Miss Carr's Children's Services
Mothers' Union of Ireland
Mounttown Neighbourhood Youth and Family Project
Mymind
National Association for Parent Support
National Children's Nurseries Association
National Organisation for the Treatment of Abusers (NOTA)
National Parents Council Post Primary
National Parents Council Primary
National Youth Council of Ireland
One Family
One in Four
OPEN
Parentline
Pavee Point
Peter McVerry Trust
Psychological Society of Ireland
Rape Crisis Network Ireland (RCNI)
Saoirse Housing Association
SAOL Beag Children's Centre
Sevenoaks Early Education Centre
Society of St. Vincent de Paul
Spunout.ie
St. Nicholas Montessori College
St. Nicholas Montessori Society
St. Patrick's University Hospital
Start Strong
Step by Step Child & Family Project
Súgradh
The Ark, A Cultural Centre for Children
The CARI Foundation
The Childhood Development Initiative
The Integration Centre
The Jack & Jill Children's Foundation
The Unmarried and Separated Families of Ireland
Treoir
UNICEF Ireland
Youth Advocate Programme Ireland (YAP)
Youth Aftercare Support Service (YASS)
Youth Initiative in Partnership
Youth Work Ireland

The Children's Rights Alliance is a coalition of over 90 non-governmental organisations (NGOs) working to secure the rights and needs of children in Ireland, by campaigning for the full implementation of the UN Convention on the Rights of the Child. It aims to improve the lives of all children under 18, through securing the necessary changes in Ireland's laws, policies and services.

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