

Pre-Budget Submission 2021

September 2020



Founded in 1995, the Children's Rights Alliance unites over 100 members working together to make Ireland one of the best places in the world to be a child. We change the lives of all children in Ireland by making sure that their rights are respected and protected in our laws, policies and services.

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Ag Eisteacht
Alcohol Action Ireland
Amnesty International Ireland
An Cosán
ASH Ireland
AsIAm
Assoc. for Criminal Justice Research and Development (ACJRD)
Association of Secondary Teachers Ireland (ASTI)
ATD Fourth World – Ireland Ltd
Atheist Ireland
Barnardos
Barretstown Camp
Bedford Row Family Project
BeLonG To Youth Services
Care Leavers' Network
Catholic Guides of Ireland
Child Care Law Reporting Project
Childhood Development Initiative
Childminding Ireland
Children in Hospital Ireland
COPE Galway
Cork Life Centre
Crosscare
Cybersafe Ireland
Daughters of Charity Child and Family Service
Dental Health Foundation of Ireland
Department of Occupational Science and Occupational Therapy, UCC
Disability Federation of Ireland
Down Syndrome Ireland
Dublin Rape Crisis Centre
Dyspraxia/DCD Ireland
Early Childhood Ireland
Educate Together
EPIC
Extern Ireland
Focus Ireland
Foróige
Gaelscoileanna Teo
Good Shepherd Cork
Immigrant Council of Ireland
Inclusion Ireland
Independent Hospitals Association of Ireland
Institute of Guidance Counsellors
Irish Aftercare Network
Irish Association for Infant Mental Health
Irish Association of Social Workers
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 Heart Foundation
Irish National Teachers Organisation (INTO)
Irish Penal Reform Trust
Irish Primary Principals Network
Irish Refugee Council
Irish Second Level Students' Union (ISSU)
Irish Society for the Prevention of Cruelty to Children
Irish Traveller Movement
Irish Youth Foundation (IVF)
Jack & Jill Children's Foundation
Jesuit Centre for Faith and Justice
Jigsaw
Katharine Howard Foundation
Kids' Own Publishing Partnership
Mecpaths
Mental Health Reform
Mercy Law Resource Centre
Migrant Rights Centre Ireland
Mothers' Union
Museum of Childhood Project
Music Generation
My Project Minding You
National Childhood Network
National Forum of Family Resource Centres
National Parents Council Post Primary
National Parents Council Primary
National Youth Council of Ireland
Novas
One Family
One in Four
Pavee Point
Peter McVerry Trust
Psychological Society of Ireland
Rainbows Ireland
Rape Crisis Network Ireland (RCNI)
Realt Beag
Respond Housing
SAFE Ireland
Saoirse Housing Association
SAOL Beag Children's Centre
Scouting Ireland
School of Education UCD
Sexual Violence Centre Cork
Simon Communities of Ireland
Social Care Ireland
Society of St. Vincent de Paul
Sonas Domestic Violence Charity
Special Needs Parents Association
SPHE Network
SpunOut.ie
St. Nicholas Montessori College
St. Nicholas Montessori Teachers' Association
St. Patrick's Mental Health Services
Step by Step Child & Family Project
Suas Educational Development
Teachers' Union of Ireland
Terenure Rugby Football Club
The Ark, A Cultural Centre for Children
The Prevention and Early Intervention Network
The UNESCO Child and Family Research Centre, NUI Galway
Traveller Visibility Group Ltd
Treoir
UNICEF Ireland
Young Ballymun
Young Knocknaheeny
Young Social Innovators
Youth Advocate Programme Ireland (YAP)
Youth Work Ireland

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1. Introduction

The Children's Rights Alliance unites over 100 members working together to make Ireland one of the best places in the world to be a child. We change the lives of all children by making sure their rights are respected and protected in our laws, policies and services. We also provide legal information and advice to children, young people and their families through our legal information line and nationwide legal advice outreach clinics.

The fallout from the Covid-19 Pandemic has had a significant impact on the lives of children and young people. The pandemic has caused widespread unemployment and the prospect of a severe recession. The ESRI have projected that the impact of the COVID19 pandemic could push child poverty rates to between 19 and 22.6 per cent. ¹

Ireland has an international obligation under Article 27 of the UN Convention on the Rights of the Child to 'recognize the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development' and that States

... shall take appropriate measures to assist parents and others responsible for the child to implement this right and shall in case of need provide material assistance and support programmes, particularly with regard to nutrition, clothing and housing.²

Budget 2021 comes at key time for children and young people and decisions made now will have a lasting impact on their future as we learn to live alongside Covid19. Budget 2021 should seek to maintain an appropriate balance between universal policies, aimed at promoting the well-being of all children, and targeted approaches, aimed at supporting the most disadvantaged. In particular Budget 2021 should ensure a focus on children who face an increased risk due to multiple disadvantage. The Children's Rights Alliance calls on the Government to prioritise investment in services over tax cuts in Budget 2021. The Alliance recommends that you prioritize the four key areas in Budget 2021.

1 ESRI, Child Poverty in Ireland and the Pandemic Recession (2020) 1.

2 Convention on the Rights of the Child (adopted and opened for signature, ratification and accession on 20 November 1989) 1577 UNTS 3 (UNCRC). Ireland ratified the Convention in 1992.

2. Summary of Budget 2021 Asks

1. Invest in Ending Child Poverty:

- a. Invest in a dedicated team to address child poverty. The cost would approximately be €2.5 million over five years. This figure is based on having a Principal Officer in post supported by four Assistant Principal Officers to work on policy, strategic engagement, communications and operations. We also believe that a dedicated €10 million budget of for innovative projects addressing child poverty would potentially attract match funding from philanthropic organisations.
- b. Food Poverty: Ensure that all children have access to a hot nutritious meal every day in education settings by introducing a national programme on phased basis. Consider reallocating funds earmarked for school meals for hot school meals.
- c. Children over 12: Improve the living standards of those most at risk of poverty and income inadequacy by increasing Qualified Child Allowance by €10 from €40 to €50 per week for children over 12 and from €36 to €39 per week for children under 12.
- d. Education: Make back to school clothing and footwear allowance fair for lone parents, equalise income thresholds for all families and treat one-parent families the same as two-parent families, who are allowed earn more per child for the Back to School Clothing and Footwear Allowance. Currently a couple with one child can earn up to €603.70 per week and qualify for the BSCFA but a one parent family with one child will not qualify if they earn more than €438.30 per week.³
- e. Addressing inequalities faced by lone parents: To ensure equality between different household types and increase the income of one parent families in work, reduce the Working Family Payment weekly work threshold from 19 hours to 15 hours for one parent families.
- f. Direct Provision: Conduct a review to assess the specific social protection needs of children living in the Direct Provision system and make recommendations on how to alleviate poverty for these children. Increase the payment made in respect for children living in Direct Provision to the rates of the Qualified Child Increase (QCI)

2. Invest in Tusla:

- a. Invest €100 million in Tusla's programmes and services.

3. Invest in Youth Services:

- a. Invest an additional €20m in youth work services by 2025 to strengthen voluntary youth work to provide more supports and activities for young people. This could be achieved by way of a €4 million increase per annum each year beginning in 2021. For every €1 invested in youth work the economic benefit/costs saved by the State in the long run are €2.20.

4. Invest in Early Years:

- a. Provide for funding to allow parents on targeted childcare schemes remain on the schemes until September 2022.

³ Citizens Information, https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_to_families_and_children/back_to_school_clothing_and_footwear_allowance.html accessed 13 July 2020.

3. Invest in Ending Child Poverty

a. Invest in a dedicated team to address child poverty

Budget 2021 Ask: Invest in a dedicated team to address child poverty. The cost would approximately be €2.5 million over five years. This figure is based on having a Principal Officer in post supported by four Assistant Principal Officers to work on policy, strategic engagement, communications and operations. We also believe that a dedicated €10 million budget of for innovative projects addressing child poverty would potentially attract match funding from philanthropic organisations.

Rationale: Addressing child poverty requires radical change in areas of housing, health and nutrition, education and climate action. We know that when the Government prioritises child poverty and shows leadership significant progress can be made. The most recent Survey on Income and Living Conditions (SILC) demonstrates that children are most vulnerable to poverty, with 7.7 per cent of children living in consistent poverty, while another 15.9 per cent of children were at risk of poverty.⁴ Lone parents are significantly more vulnerable with 19.2 per cent living in consistent poverty verses 5 per cent of 2 parent families.⁵ Lone parents in Ireland are almost five times more likely to experience in-work poverty than other households with children.⁶

Better Outcomes, Brighter Futures: The Policy Framework for Children and Young People will finish in December 2020. We recommend that ending child poverty should be the central focus of the next National Children and Young People's Strategy. It could include clear actions on education, health, food poverty, participation, housing, income and childcare. This should be matched with dedicated implementation structures and budget, including a dedicated implementation team with a National Lead.

A European Child Guarantee is planned to be included in the next EU budget (2021-2027). The ambition of the Child Guarantee is that every child in Europe has access to the following key services: free healthcare, free childcare, decent housing and adequate nutrition. It will particularly focus on vulnerable children and those experiencing poverty, including migrant and refugee children. The European Parliament has proposed that the European Social Fund Plus (ESF+) allocates €5.9 billion for the implementation of the Child Guarantee.⁷ The European Commission President Ursula Von der Leyen has declared that realising the Child Guarantee will be a priority for her Commission.⁸

To access the funding, Member States need to have national strategic policy frameworks in place for poverty reduction and social inclusion with a specific attention to preventing and tackling child poverty. This could be delivered by making child poverty the primary focus of the next national children's strategy.

b. School Meals

4 Central Statistics Office, *Survey on Income and Living Conditions (SILC) 2018* (CSO 2019).

5 Households where there was one adult and one or more children aged under 18 had the highest consistent poverty rate at 19.2 per cent. Central Statistics Office, *Survey on Income and Living Conditions (SILC) 2018 Results* (CSO 2019), Table 3.1: 'At Risk of Poverty, Deprivation and Consistent Poverty Rates by Year' <<https://bit.ly/2wbgcIA>> accessed 26 June 2020.

6 Society of St Vincent de Paul, *Working, Parenting and Struggling? An analysis of the employment and living conditions of one parent families in Ireland* (2019) <<https://bit.ly/33FYs3e>> accessed 13 July 2020.

7 Amendments adopted by the European Parliament on 16 January 2019 on the proposal for a regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+) (COM(2018)0382 – C8-0232/2018 – 2018/0206(COD) <https://www.europarl.europa.eu/doceo/document/TA-8-2019-0020_EN.html> accessed 23 September 2020.

8 European Commission, Opening Statement in the European Parliament Plenary Session by Ursula von der Leyen, Candidate for President of the European Commission <https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_19_4230> accessed 25 February 2020.

Budget 2021 Ask: Ensure that all children have access to a hot nutritious meal every day in education settings by introducing a national programme on phased basis. Consider reallocating funds earmarked for school meals for hot school meals.

Rationale: Just over one in ten households with children in Ireland experience food poverty.⁹ This means that almost 80,000 households with children under 18 years¹⁰ cannot afford a meal with meat or vegetarian equivalent every other day; are unable to afford a weekly roast dinner; or miss one substantial meal.¹¹ Parents on the minimum wage have to spend almost a quarter of their income on food, and almost a third if they are dependent on social welfare payments.¹² Low-income households can often only afford cheap, concentrated energy from foods full of fat, salt and sugar rather than healthier, more expensive foods such as wholegrains, fish, vegetables and fruit.¹³ *Growing Up in Ireland* – the national study on children – has found that where you live determines where you shop. More economically advantaged households do not have as far to travel for food shopping.¹⁴ In Ireland, by age three, children from lower socio-economic backgrounds are more likely to have consumed energy-dense food like hamburgers and crisps, but less likely to have eaten fresh fruit or vegetables.¹⁵

In September 2019, the Department of Employment and Social Protection launched a hot school meals pilot and this was expanded in Budget 2020. The Alliance proposes that upon completion of the pilot, the Department consider investing additional funding into hot school meals and reallocate existing funds from colds meals towards hot meals instead.

Estimated Cost: An additional approx. €68 million per year would provide a hot school meal to every child currently benefitting from the School Meals Programme.¹⁶

c. Children over the age of 12

Budget 2021 Ask: Improve the living standards of those most at risk of poverty and income inadequacy by increasing Qualified Child Allowance by €10 from €40 to €50 per week for children over 12 and from €36 to €39 per week for children under 12.

Rationale: Minimum Essential Standard of Living (MESL) Research has consistently identified older children as having additional and distinct needs in comparison to younger children.¹⁷ The minimum needs of children aged 12 and over, cost over €120 per week, which is 63 per cent more expensive than the minimum needs of younger children.¹⁸ Additional costs relating to food, clothing, personal care, social inclusion and second level education account for much of the difference. However, there must also be proportionate increases for children under 12 to allow for inflation and the increase in the cost of living. Adequate social welfare that addresses the changing needs of a child are vital to ensuring their basic needs are met.

9 Department of Employment Affairs & Social Protection. *Social Inclusion Monitor 2016*. Dublin; 2018.

10 Calculated using Central Statistics Office, *Census 2016 Profile 4 – Households and Families* (2017 CSO).

11 Department of Employment Affairs and Social Protection, *Social Inclusion Monitor 2016*, <https://www.welfare.ie/en/downloads/SIM2016.pdf> (accessed 7 June 2020).

12 *ibid.*

13 Adam Drewnowski, *The Real Contribution of Added Sugars and Fats to Obesity*, *Epidemiologic Reviews*, Volume 29, Issue 1, January 2007, 160–171.

14 Richard Layte and Cathal McCrory, *Growing Up In Ireland Overweight And Obesity Among 9-Year-Olds* (DCYA 2011) 33.

15 James Williams, Aisling Murray, Cathal McCrory, Sinéad McNally, *Growing Up in Ireland - Development From Birth To Three Years* (Department of Children and Youth Affairs 2013) 37.

16 Cost per 35,000 children is €9.5 million. Figure based on the 250,000 children currently benefitting from the school meals scheme as set out: Minister for Employment Affairs and Social Protection, Regina Doherty TD, Written Answers, School Meals Programme, 18 December 2019 [53760/19].

17 Vincentian Partnership for Social Justice, *MESL 2018: Update Report*, (VPSJ 2018) 11.

18 VPSJ (2019) Minimum Essential Standard of Living 2019 update report. <https://www.budgeting.ie/download/pdf/mesl_2019_update_report.pdf> 23 accessed 10 July 2020.

Estimated Cost: The estimated cost of these increase is €105 million based on the number of pre-pandemic recipients.

d. Back to School Clothing and Footwear Allowance

Budget 2021 Ask: Make back to school clothing and footwear allowance fair for lone parents, equalise income thresholds for all families and treat one-parent families the same as two-parent families, who are allowed earn more per child for the Back to School Clothing and Footwear Allowance. Currently a couple with one child can earn up to €603.70 per week and qualify for the BSCFA but a one parent family with one child will not qualify if they earn more than €438.30 per week.¹⁹

Rationale: In 2019 the average cost of sending a child to school was €380 for a child in fourth class and €735 for a child in first year.²⁰ The Irish League of Credit Unions report that one-in-three parents report getting into debt to pay for schools costs.²¹ Currently, the thresholds for one parent families are lower which makes it harder for these families to qualify for the payment. Given that school costs per child are the same for all families, regardless of how many adults are in the household, this system unfairly penalises lone parents.

e. Reduce the Working Family Payment Threshold

Budget 2021 Ask: To ensure equality between different household types and increase the income of one parent families in work, reduce the Working Family Payment weekly work threshold from 19 hours to 15 hours for one parent families.

Rationale: The Working Family Payment (WFP) is a weekly tax-free payment available to employees with children. It gives extra financial support to people on low pay. You must be an employee to qualify for WFP and you cannot qualify if you are only self-employed.²² Currently one-parent families need to work the same number of hours per week as two-parent families to benefit from the Working Family Payment. Reduce the weekly threshold to 15 hours per week for one-parent families to reduce the disproportionate pressure they are under and to help them increase their earning capacity.

The most recent Survey on Income and Living Conditions (SILC) demonstrates that children are most vulnerable to poverty, with 7.7 per cent of children living in consistent poverty, while another 15.9 per cent of children were at risk of poverty.²³ Lone parents are significantly more vulnerable with 19.2 per cent living in consistent poverty verses 5 per cent of 2 parent families.²⁴ Lone parents in Ireland are almost five times more likely to experience in-work poverty than other households with children.²⁵ Over the last recession (2008-2013), research has highlighted that discretionary policy changes

19 Citizens Information, <https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_to_families_and_children/back_to_school_clothing_and_footwear_allowance.html> accessed 13 July 2020.

20 Barnardos, *School Costs Survey 2019 Briefing Paper* <https://www.barnardos.ie/media/5383/2019-schoolcosts-infographic_final1.pdf> accessed 31 January 2020.

21 Irish League of Credit Unions, 'Irish League of Credit Union survey finds more than a third of families in debt' <<https://bit.ly/2VtnmQp>> accessed 24 April 2019.

22 Citizens Information, <www.citizensinformation.ie/en/social_welfare/social_welfare_payments/social_welfare_payments_to_families_and_children/family_income_supplement.html> accessed 11 February 2020.

23 Central Statistics Office, *Survey on Income and Living Conditions (SILC) 2018* (CSO 2019).

24 Households where there was one adult and one or more children aged under 18 had the highest consistent poverty rate at 19.2 per cent. Central Statistics Office, *Survey on Income and Living Conditions (SILC) 2018 Results* (CSO 2019), Table 3.1: 'At Risk of Poverty, Deprivation and Consistent Poverty Rates by Year' <<https://bit.ly/2wbgcIA>> accessed 26 June 2020.

25 Society of St Vincent de Paul, *Working, Parenting and Struggling? An analysis of the employment and living conditions of one parent families in Ireland* (2019) <<https://bit.ly/33FYs3e>> accessed 13 July 2020.

particularly affected the incomes of lone parents.²⁶ To tackle the fallout from COVID19, it is vital that measures are taken to increase income for lone parents to address the discrepancies of the WFP that have a negative impact on lone parents.

f. Social Protection for Children living in Direct Provision

Budget 2021 Asks:

- Conduct a review to assess the specific social protection needs of children living in the Direct Provision system and make recommendations on how to alleviate poverty for these children.
- Increase the payment made in respect for children living in Direct Provision to the rates of the Qualified Child Increase (QCI)

Rationale: Children and young people in Direct Provision have spoken about the shame they have felt because they cannot afford to go to swimming lessons, on school trips or to birthday parties. Children living in Direct Provision centres are at a high risk of consistent poverty although they are not counted in the official poverty statistics.

Budget 2019 increased the rate of the weekly Direct Provision allowance for children, increasing it from €21.60 to €29.80 in line with the McMahon Report recommendation.²⁷ This is a positive measure and was the third increase in less than three years to the payment. However, at the time of the McMahon report, the recommendation equated to the rate of Qualified Child Increase (QCI). In the intervening years the Qualified Child Increase rate has been increased to €36 (children under the age of 12) and €40 (children over the age of 12) for children of other social welfare recipients, the increase was not extended to children in Direct Provision.²⁸

Children in Direct Provision cannot access other social welfare supports like Child Benefit. The introduction of the right to work for people in the protection process after a set period of time means that some parents may have access to supports like the Working Family Payment to supplement a low income from employment but it is not clear how many people, if any, are receiving these types of supports.

2. Invest in Tusla – Child and Family Agency

Budget 2021 Ask: Invest €100 million in Tusla’s programmes and services.

Rationale: The Alliance understands that Tusla has a significant deficit that has arisen due to the demand-led nature of its services especially in relation to residential care. The Alliance also understands that Tusla’s role in accommodating vulnerable children and young people is extremely important given that they often step in to support vulnerable children with complex social and emotional needs. They also have a record of accommodating young people that do not have social support structures and that are vulnerable to being exploited, including by criminal gangs.

26 Doorley, K., Bercholz, M., Keane, C., Callan, T., and Walsh, J.R. (2018). The gender impact of Irish budgetary policy. Dublin: Economic and Social Research Institute and Parliamentary Budget Office. Regan, M., Keane, C., and Walsh, J.R. (2018). Budget Perspectives 2019, Paper 1. LoneParent Incomes and Work Incentives. July 2018.

26 St Vincent DePaul, Pre- Budget Submission 2020 <<https://www.svp.ie/getattachment/9c80c2ed-9d17-4a47-9dac-0aa86cffb3d7/Pre-Budget-Submission-2020-Investing-in-a-Just-So.aspx>> 9 accessed 10 July 2020

27 At the time of the McMahon report, the recommendation equated to the rate of Qualified Child Increase (QCI). Notably, Budget 2019 increased the Qualified Child Increase rate to €34 (children under the age of 12) and €37 (children over the age of 12) for children of other social welfare recipients. Department of Employment Affairs and Social Protection, ‘Budget 2019’ accessed 17 July 2020.

28 *ibid.*

The Alliance is concerned that if efforts are not made to close this deficit and respond to the increasing demands on its services that other Tusla's related initiatives will come to a standstill, including the campaign to recruit more social workers. Tusla will also be unable to increase investment in prevention, early intervention and family support services. Many are already operating at a reduced capacity due to gaps between the availability of funding and the cost of service provision. In addition, the Alliance is aware that the Irish Government has made a significant commitment to relocate vulnerable young refugees from Greece where they are neglected, abused and exploited. The situation has since deteriorated because of the recent camp fires. However, this relocation programme has come to a halt due to the ongoing deficit.

Budget 2021 comes at key time for children and young people and decisions made now will have a lasting impact on their future as we learn to live alongside Covid19. It is vital Tusla has sufficient resources to discharge its important mandate particularly given the demand surge that is likely to hit its services because of the impact of the lockdown on children.

3. Invest in Youth Services

Budget 2021 Ask: Invest an additional €20m in youth work services by 2025 to strengthen voluntary youth work to provide more supports and activities for young people. This could be achieved by way of a €4 million increase per annum each year beginning in 2021. For every €1 invested in youth work the economic benefit/costs saved by the State in the long run are €2.20.²⁹

Rationale:

Ireland has one of the highest levels of involvement by young people in youth and student organisations in the European Union, 20 per cent higher than the EU average.³⁰ Youth organisations work across many areas including mental health, social and political education, training, youth justice, equality and school completion. Over half of young people involved in youth work organisations come from economically or socially disadvantaged communities.³¹ Investment in youth work services from the Department of Children and Youth Affairs decreased by 31.8 per cent over an eight-year period, from €73.1m in 2008 to €49.8m in 2014. Funding for youth work from DCYA has increased in recent years and now stands at €61.8m,³² €11.3m or 15 per cent below that of over a decade ago with the youth population is also growing significantly and the results of Census 2016 indicating that there will be 1,005,938 young people aged between 10-24 years in 2025.³³

4. Invest in Early Years

²⁹ Assessment of the Economic Value of Youth Work by Indecon Economic Consultants, pp 18 November 2012

³⁰ EU Eurobarometer Number 478, March 2019

<<https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurveydetail/instruments/flash/surveyky/2224>> accessed 10 February 2020.

³¹ Assessment of the Economic Value of Youth Work by Indecon Economic Consultants, pp 49 November 2012

³² DCYA Press Release, January 15th 2020 "Minister Zappone announces €61 million in youth work funding for 2020"

<<https://www.gov.ie/en/news/0e7b0f-minister-zappone-announces-61m-in-youth-funding-for-2020/>> accessed 10 February 2020.

³³ Census 2016 <<http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=EY007&PLanguage=0>> accessed 10 February 2020.

Budget 2021 Ask: Provide for funding to allow parents on targeted childcare schemes remain on the schemes until September 2022.

Rationale: Children who grow up in households with low work intensity and experience high levels of poverty have poorer developmental, educational, and employment outcomes across their lifespan.³⁴ Early childhood care and education is one of the most effective levelers in tackling the negative impacts of poverty on a child's development.³⁵ In aiming to mitigate the damaging impacts of poverty on children and promoting labour market activation as a route out of poverty, we are asking you to consider quality childcare provision via the National Childcare Scheme as part of the holistic support required by low-income and disadvantaged families.

Launched in November 2019, the NCS will largely replace targeted childcare subsidies and the universal childcare subsidy by 2021.³⁶ Budget 2020 provided for an increase in the lower income threshold, meaning that maximum subsidy rates will be paid to all families with a net annual income of up to €26,000 (up from €22,700). This means that families on lower incomes or below the relative income poverty line will benefit from the very highest subsidy rates under the new Scheme.³⁷

The extent to which children will benefit from the targeted subsidy under the NCS will depend on their parents' engagement in training and work. We are concerned for children who will be negatively impacted by the transition from targeted schemes such as the Childcare Employment and Training Support (CETS) and Community Childcare Subvention Scheme (CCS) to the National Childcare Scheme. Where a child's parent(s) is not working or participating in training, children are likely to face a reduction in subsidised hours, and for some, the level of subsidy provided by NCS could be considerably less than that available under the previous scheme, for example, CETS.³⁸ Additional funding was secured in 2020 allow these parents to remain on their current schemes until September 2021.³⁹

³⁴ Evelyn Ring 'Ireland tops for children in jobless homes', *The Irish Examiner*, 16 March 2018.

³⁵ Gosta Esping-Andersen, 'Childhood investment and skill formation', *International Tax and Public Finance*, 15: 19-44.

³⁶ Department of Children and Youth Affairs, *Policy Paper on the Development of a new Single Affordable Childcare Scheme* (DCYA 2016).

³⁷ Communication Received by the Children's Rights from the Department of Children and Youth Affairs, 15 November 2019.

³⁸ Communication Received by the Children's Rights Alliance from One Family on 8 November 2019.

³⁹ Kitty Holland 'Childcare workers and some lone parents dismayed at €94 million package', *Irish Times*