



Analysis of Budget 2014 from a Children and Families Perspective

October 2013

Introduction

Barnardos welcomes some key measures announced in Budget 2014 particularly those that will ease the financial burden on many hard pressed families. The introduction of practical measures such as free GP care to the under fives and the roll out of school book rental schemes in primary schools are very welcome. After seven harsh austerity budgets that left many families reeling, the retaining of social welfare rates, including Child Benefit, at current levels are also welcome.

However, other measures will have an adverse affect on expectant mothers, young single unemployed people and some medical card holders. And while some funding has been allocated to improve quality in pre-school settings, this sector continues to be plagued by under-investment meaning Ireland will continue to lag behind its EU counterparts in having a comprehensive, quality, affordable and accessible sector across all settings.

Below is an outline of all Budget measures affecting children and families as announced this week.

Department of Children and Youth Affairs

- Barnardos welcomes the additional €6.7m (€12m in a full year) allocated to support the reform programme of child welfare and protection services. This will hopefully mean that the new Child and Family Agency will be sufficiently resourced to meet its objectives of providing a more child-centred service, focusing on prevention and early intervention work with families as well as responding to child protection concerns.
- €4.5m has been allocated to improve quality of service provision in the pre-school sector. This will see recruitment of additional Pre-School Inspectors, a new mentoring service to advance the implementation of AISTEAR and SIOLTA in childcare settings and a training grant to up skill current staff to the new qualification requirements. The amount allocated to this, while a welcome start, is insufficient for a sector characterised by under investment. This means that the sector will continue to be fragmented in quality provision and will seriously undermine the development of a comprehensive and progressive Early Years Strategy.
- Last year, Budget 2013 announced a €14m After-School Childcare Scheme with 6,000 places targeted at low income parents. Barnardos felt this was another piece meal approach rather than investing in comprehensive after-school care provision for all children. The Scheme has had a low take up and funding is now being redirected to support the quality development in pre-school services and to provide additional childcare supports through the Childcare Education and Training Supports (CETS) scheme. Such supports will prioritise parents with pre-school children meaning the afterschool care sector remains inadequately supported, unregulated and of varying quality.

- The roll out of the Area Based Childhood programme continues with an increase of €1.5m allocated in 2014, seeing the State contribution rising to the planned €4 in 2014 with an additional investment of €5m from Atlantic Philanthropy.
- Barnardos welcomes the continued commitment to the construction of Oberstown Detention Centre with an allocation of €31m in capital investment. This is a long overdue and much needed development and will result in real progress for very vulnerable young people.

Department of Social Protection

- Barnardos strongly welcomes the maintenance of Child Benefit rates at their current levels, for the first, second and third child as they will continue to receive €130 per month. The fourth and subsequent children will receive €130 per month as was flagged in Budget 2013 so that all rates are standardised regardless of the number of children in the household.
- Other key weekly social welfare payments are remaining the same, the Qualified Child Increase payments at €29.80, the standard adult rates at €188 and the income guidelines applicable to Family Income Supplement.
- The Back to School Clothing and Footwear Allowance which has been slashed in previous Budgets remains at its present rates (€100 for younger children and €200 older children). However eligibility for it has reduced as it is no longer payable for those aged 18-22 years in third level.
- For those in private rented accommodation who rely on rent supplement to pay for most of their rent, there is a €5 weekly increase in the minimum contribution from couples bringing it up to €40. Already many families have to contribute more than the minimum amount from their own meagre budgets to meet the rent rate charged by landlords. As rent levels are increasing this €20 extra a month imposed on couples may mean some families have to move to more substandard or overcrowded accommodation or become at risk of homelessness.
- All statutory maternity benefit rates have been standardised to €230 per week for new claimants. For over 95% (23,000) of claimants it will mean a reduction of €32 a week which is a significant drop given the proven high costs associated with caring for an infant. This comes on top of the Budget 2012 measure to tax maternity benefit thereby reducing the real value of the payment further. In less than a year, the cut to maternity benefit is nearly €3,500 per mother. It will mean that mothers may have to return to their jobs earlier than they wish to.
- The rates of the Job Seekers Allowance payment have decreased for young single unemployed people. Now all new claimants aged 18-24 years will only receive €100 per week, 25 year olds will have their payment cut from €188 to €144 and the full rate will apply to all those over 26 years. In reality, this measure will put more pressure on families who have adult unemployed children living at home.

Department of Education and Skills

- The Department announced a significant and welcome investment in establishing school book rental schemes in all primary schools over the next three years. Barnardos annual school costs survey always shows the costs of school books as being prohibitive on many parents and the value of school book rental schemes in offering practical cost effective solutions. This is a very positive and progressive development and will hopefully be replicated in all secondary schools over time.
- Barnardos welcomes the recruitment of 1,395 extra teachers and classroom resource teachers at primary and secondary level next year, in line the demographic changes.
- Those participating in further education and training through FAS and Youthreach will no longer be able to claim both welfare and training allowances. They will also lose their €20 bonus per week but retain their meal and travel allowances.
- Students aged 25 years participating in VTOS, Youthreach and FAS training schemes will receive the reduced rate of €160 per week.
- There will be a €250 increase in the 3rd level registration fees bringing it to €2,750 in 2014/2015 and up to €3,000 by 2015 / 2016 academic year. The maintenance grants are unchanged.

Department of Health

- Barnardos strongly welcomes the introduction of free GP care to all children under five. This is the first step towards universal health insurance for all and is an excellent investment in children and their futures. It will ensure that children's illnesses are diagnosed and treated earlier and will alleviate the pressure on many parents who are unable to afford to bring their child to the doctor as it means another bill has to go unpaid or not having enough money to feed their family for the week. In the long term it will generate savings to the exchequer as it will mean less hospitalisation costs and reduced absenteeism from school.
- The prescription charge will increase from €1.50 to €2.50 per item up to a maximum of €25 per family per month. Since the introduction of the prescription charge it has been significantly increased with the monthly threshold increasing from €10 to €25. These changes will impact on families in receipt of the medical card.
- A total of €113m is to be saved from a review of medical card eligibility and thresholds. This will result in the loss of the card for some families where there is already a proven medical need for the card. Barnardos is opposed to any child or family living with serious or chronic illness losing access to vital healthcare.
- Those rejoining the workforce will no longer be entitled to keep their medical card for three years but instead be given a GP only card. This does not cover any prescription charges so could pose a significant barrier to parents to take up low paid employment if they will be unable to meet the medical needs of their family.
- €20m was allocated for the continuing development of community mental health services. This is a reduction from the €35m allocated in 2013.

Department of Environment

- Barnardos welcomes the investment of €30m in social housing which will see 500 new units available. These homes will either be built or will be a refurbishment of vacant stock. These units are part of the 4,500 units provided for social housing in 2014 through leasing and existing capital programmes such as transfers under the Rental Accommodation Scheme.
- €79m has been earmarked to continue the national regeneration programme with specific emphasis on areas in Limerick, Ballymun and Tralee in 2014.
- €25m is being provided to improve the energy efficiency of 12,500 local authority houses through retrofitting and improved insulation which will result in warmer homes and lower energy bills for thousands of families. Given the prevalence of fuel poverty in Ireland this is a positive development and must begin with older and substandard accommodation.
- A new social impact investment initiative will also see more than 130 homeless families move out of private emergency accommodation and into sustainable long-term tenancies.
- The budget for homeless services is unchanged at €45m.

Department of Justice

- Welcome additional resources allocated to the Garda Vetting Bureau to process applications upon the commencement of the National Vetting Bureau Act.

Taxation Measures

- The One Parent Tax Credit is being altered. This tax credit was payable to both parents where parents are parenting separately and was worth €1,650. Now it will be the 'Single Person Child Carer Credit' and only the primary carer is eligible to claim it. While the value will stay the same it does not support shared parenting when the relationship between the parents has broken down.
- The property tax announced in Budget 2012 will have to be paid in full in 2014.

Conclusion

Budget 2014 has introduced some positive and progressive measures that will have a long lasting impact on children's lives. Barnardos has long campaigned for free GP care for children and school book rental schemes so it is heartening to know it will happen. The Government has given some hard pressed families much needed breathing space. However, some measures announced in the Budget will see some families lose out, especially if they lose a medical card or are an expectant mother. There is some cause for cautious optimism that the very worst of austerity is behind us but there is still a long way to go to unravel the pain and struggle caused by the recession. Budget 2014 must be a launching pad for more progressive and equitable policy making in Ireland.