

***GUIDELINES***

***FOR***

***POVERTY IMPACT ASSESSMENT***

**March 2008**



## **SUMMARY OF STAGES IN POVERTY IMPACT ASSESSMENT**

### **➔ Poverty Impact Assessment: Screening Stage**

**Is the policy, programme or proposal significant in terms of:**

- Overall national/departmental policy;
- The level of expenditure involved;
- The change it will bring about in an existing policy or procedure;
- Its relevance to groups regarded as being most at risk of poverty and social exclusion. The social partnership agreement '*Towards 2016*' and National Action Plan for Social Inclusion 2007-2016 (NAPinclusion), which adopt the lifecycle approach to the development of social policy, emphasise the need to protect the most vulnerable people and groups across the stages of the lifecycle. See next page for examples of such groups.

If the answer is YES or POSSIBLY to any of the above a full poverty impact assessment should in general be carried out.

### **➔ Full Poverty Impact Assessment**

Step 1 – Consultation

Step 2 – Define policy aims and target groups

Step 3 – Identify available data and research

Step 4 – Assess impacts and consider alternatives

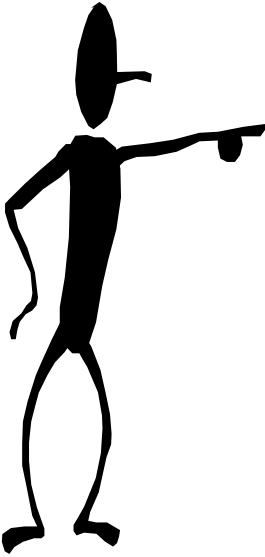
Step 5 – Make decision and arrange monitoring

Step 6 – Publish results

Step 7 – Return summary sheet to Social Inclusion Liaison Officer



What is poverty?  
What is social exclusion?  
What is Poverty Impact Assessment?



**POVERTY** – People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally.

**SOCIAL EXCLUSION** – As a result of inadequate income and other resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society.

**POVERTY IMPACT ASSESSMENT** - The process by which government departments, local authorities and State agencies assess policies and programmes at design, implementation and review stages in relation to the likely impact that they will have or have had on poverty and on inequalities which are likely to lead to poverty, with a view to poverty reduction.



What groups are most at risk of poverty and social exclusion?



**Examples of groups who are most at risk of poverty and social exclusion include: lone parent families and families with large numbers of children; the ill and persons with disabilities; the elderly; Travellers; migrants and members of ethnic minorities; the homeless; the unemployed; persons living in areas of urban or rural disadvantage. This list is not exhaustive. It is also often the case that persons experiencing extreme forms of poverty and exclusion are found to have multiple forms of vulnerability.**

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### WHAT'S NEW IN THIS VERSION OF THE GUIDELINES?

- **The Guidelines have been updated to take account of the new National Action Plan for Social Inclusion 2007-2016 (NAPinclusion)**
- **Up to date examples of Poverty Impact Assessment have been added**

*Section 1*

***INTRODUCTION***

***AND***

***CONTEXT***

### **1.1 National Anti-Poverty Strategy (NAPS) and National Action Plan for Social Inclusion (NAPinclusion)**

The National Anti-Poverty Strategy (NAPS) was originally published in 1997 as a ten-year Government plan to reduce poverty. It emphasised the multi-dimensional nature of poverty and considered that addressing poverty involves tackling the underlying structural inequalities that create and perpetuate it<sup>1</sup>. The strategy was revised in 2002 with the launch of *Building an Inclusive Society* which set an objective of reducing and ideally eliminating consistent poverty in Ireland. It detailed a large number of targets and commitments designed to achieve this, including a target of eliminating long term unemployment and a benchmark for the lowest social welfare payments of €150 by 2007 (in 2002 terms).

As part of an EU wide effort to make a decisive impact on poverty by 2010 each EU Member State published a National Action Plan against Poverty and Social Exclusion (NAP/inclusion) approximately every two years. The second NAP/inclusion was launched in 2003 covering the period 2003-2005. In February 2007 the National Action for Social Inclusion 2007-2016 (NAPinclusion) was launched and brings together the earlier NAPS and EU processes. The NAPinclusion reflects the lifecycle approach of the new social partnership agreement, *Towards 2016*, which was published in January 2007. This approach places the individual at the centre of policy development and delivery, by assessing the risks facing him/her, and the supports available to him/her to address those risks, at key stages in his/her life. The key lifecycle stages are identified as: Children, People of Working Age, Older People, and People with Disabilities.

The new NAPinclusion has a strong focus on actions and targets, with the overall goal of reducing consistent poverty to between 2% and 4% by 2012, and ultimately eliminating it by 2016. In order to achieve this goal, the Plan contains 12 high level strategic goals reflecting the strong view of Government that interventions are required in a number of key policy areas. In addition, 153 targets and actions are identified, spanning all stages of the lifecycle and covering a range of groups who are most at risk of poverty and social exclusion. Details of the high-level goals and some key targets are included in Appendix 1. The full range of targets can be found in the NAPinclusion which can be accessed on the website of the Office for Social Inclusion.

### **1.2 Poverty Impact Assessment Background**

Poverty proofing was introduced in 1998 as a result of a commitment in the original NAPS that “*the question of impact on poverty will also be a key consideration when decisions are being made about spending priorities in the context of the national budgetary process and the allocation of the EU structural funds.*”<sup>2</sup> The introduction of poverty proofing was also in line with a commitment in the *Partnership 2000* social partnership agreement to strengthen administrative procedures for equality proofing in

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<sup>1</sup> Government of Ireland (1997) *Sharing in Progress: National Anti-Poverty Strategy*, p.8

<sup>2</sup> *ibid*, p. 20-21

the context of the NAPS. It also plays a role in mainstreaming social inclusion issues into the policy making process generally.

In 1998 it became a requirement in the Cabinet Handbook that Memoranda for the Government involving significant policy proposals “*indicate clearly the impact of the proposal on groups in poverty or at risk of falling into poverty.*”<sup>3</sup> In 1999 the Department of Social, Community and Family Affairs issued guidelines setting out the framework to be followed in carrying out poverty proofing.<sup>4</sup>

In 2001 the National Economic and Social Council (NESC) published a review of the poverty proofing process<sup>5</sup>. The Office for Social Inclusion (OSI), established in 2002, was requested, drawing on the NESC Review, to develop a more effective poverty proofing process and to ensure that it would be appropriately operationalised.

The OSI carried out its review of poverty proofing in 2005, resulting from which these new guidelines for what is now called poverty impact assessment were produced. The change of name from poverty proofing to poverty impact assessment sought to make it clear that the emphasis in the process should be on policy outcomes. The review can be downloaded from the OSI website at [www.socialinclusion.ie](http://www.socialinclusion.ie).

The OSI review also took into account experiences from the pilot project on the development of an integrated approach to poverty, equality and gender proofing. This project, which involved the Equality Authority, the OSI, the Department of Justice, Equality and Law Reform and the Combat Poverty Agency, sought to develop a single template for the performance of these three proofing exercises. While the project concluded that separate proofing processes will still be required pending further development and modification of the integrated approach, these revised guidelines have been developed with a view to facilitating such an approach at a future stage.

### **1.3 Contents of these Guidelines**

These guidelines are intended to be a practical tool to assist policy makers to carry out poverty impact assessment. Section 2, the main section of the Guidelines, defines poverty impact assessment and describes when, why and how it should be performed.

In order to carry out poverty impact assessment effectively policy makers should have an understanding of what is meant by poverty and the associated terminology, as well as poverty measurement. It is also important to have an understanding of the current position with regard to poverty in Ireland. This information is contained in Section 3 which includes definitions of poverty and related terms, and issues associated with poverty measurement, data and indicators. The relationship between poverty and inequality is also explored. More detailed information on poverty data and indicators is contained in Appendices 2 and 3.

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<sup>3</sup> Department of the Taoiseach (1998) *Cabinet Handbook*, p.19

<sup>4</sup> Department of Social, Community and Family Affairs (1999) *Poverty Proofing Guidelines*

<sup>5</sup> National Economic and Social Council (2001) *Review of the Poverty Proofing Process* (Report 106)

#### ***1.4 Updates, Further Information and Training***

These guidelines will be kept under review in the context of experience of their use and of developments with regard to integrating the various proofing mechanisms. The appendices will be revised as more or updated data becomes available. Updated versions of the guidelines will be available on the website of the Office for Social Inclusion.

Further examples of completed poverty impact assessments will be included in the Appendices as they become available, as will details of training courses regarding poverty impact assessment.

Should you have any queries or suggestions regarding these guidelines, or training in poverty impact assessment, please contact:

Office for Social Inclusion,  
Department of Social and Family Affairs,  
Gandon House,  
Amiens Street,  
Dublin 1.  
Telephone: 01-7043851  
Email: [osi@welfare.ie](mailto:osi@welfare.ie)  
Website: [www.socialinclusion.ie](http://www.socialinclusion.ie)



*Section 2*

***PERFORMING***

***POVERTY***

***IMPACT***

***ASSESSMENT***

## **2.1 What is poverty impact assessment?**

Poverty impact assessment is defined as:

*The process by which government departments, local authorities and State agencies assess policies and programmes at design, implementation and review stages in relation to the likely impact that they will have or have had on poverty and on inequalities which are likely to lead to poverty, with a view to poverty reduction.*

The primary aim of the process is to identify the impact of the policy proposal on those experiencing poverty or at risk of falling into poverty so that this can be given proper consideration in designing or reviewing the policy or programme. It is not intended that all policies be fundamentally transformed so that they are explicitly targeted at the disadvantaged, but rather that any possible negative impacts be identified and measures put in place to ameliorate them. Likewise it is important that positive impacts are identified so that they can be enhanced if possible.

The potential effects of some policy proposals may be ambiguous in the sense that the policy may have a positive effect on some groups and a negative (or no) effect on others. In such cases, all potential effects should be highlighted. When considering the effects on particular groups these should be considered in the context of the lifecycle stages as identified in 'Towards 2016' namely children, people of working age, older people and people with disabilities. Across the lifecycle stages examples of groups regarded as being most at risk of poverty include lone parent families and families with large numbers of children; Travellers; migrants and members of ethnic minorities; the homeless; the unemployed; persons living in areas of urban or rural disadvantage. However, this list is not exhaustive and there may be other groups who, depending on the policy being assessed, could be particularly at risk.

In carrying out poverty impact assessment it is important to recognise that, while income adequacy is a key aspect of poverty, it is not the sole concern in the development of policies to alleviate poverty. For example, employment, education, health and housing policies are also key considerations.

While the secondary effects of some proposals (particularly those which are not directly aimed at alleviating disadvantage) may not be immediately apparent, they may still have an impact on those at risk of poverty. It is important for that reason that decisions made in relation to the steps listed in section 2.3 below are supported by appropriate data and indicators.

## 2.2 When is poverty impact assessment carried out?

Following a Government decision of 23 July 1998 it has been a requirement in the Cabinet Handbook, that memoranda for the Government involving significant policy proposals "*indicate clearly the impact of the proposal on groups in poverty or at risk of falling into poverty*".<sup>6</sup> A new version of the Handbook, published in December 2006, includes a specific reference to these guidelines.<sup>7</sup> The system of impact on poverty should be based on a systematic analysis modelled on the framework contained in these guidelines. Although some departments' remits may not appear to impact directly on poverty, and while others are not involved in direct service delivery, poverty impact assessment should be performed by all government departments.

A poverty impact assessment, based on the template set out in section 2.3 below, should be conducted before submission of a Memorandum to Government. The Memorandum itself should include a summary of the key results of the assessment, for example, increases or decreases in poverty overall, or likely impacts on specific groups.

Poverty impact assessment should also be undertaken in designing policies and in preparing the following:

<b>Government Departments</b>	<b>State Agencies</b>	<b>Local Authorities<sup>8</sup></b>
SMI Statements of Strategy	Strategy Statements	County Development Plans
Annual Business Plans & Output Statements	Business Plans	County Development Strategies
Estimates & Annual Budget proposals	New Programmes	Corporate Plans
Expenditure Reviews & Programme Evaluations	Programmes Reviews	Operational Plans
National Development Plan and other relevant EU Plans and Programmes		Service Plans
Legislation, including significant Statutory Instruments		Introduction of service charges

Poverty impact assessment should be carried out at all stages where significant policy proposals or changes are being considered, including where an existing policy is being evaluated with a view to possible change. Poverty impact assessment should not be considered as something to be performed after a decision has been made but rather as an inherent part of the policy development process.

<sup>6</sup> Department of the Taoiseach (1998) *Cabinet Handbook*, p.19

<sup>7</sup> Department of the Taoiseach (2006) *Cabinet Handbook*, p.29

<sup>8</sup> Combat Poverty Agency (2005) *Developing a Local Anti-Poverty Strategy: A Guide*, p. 65

### Regulatory Impact Analysis

Following a Government Decision of 21 June 2005, Regulatory Impact Analysis (RIA) must be applied to all proposals for primary legislation involving changes to the regulatory framework, significant Statutory Instruments, draft EU Directives and significant EU regulations. RIA is a tool used to assess the likely impacts and costs and benefits of a proposed new regulation or regulatory change. It is an integrated approach involving the examination of economic, social and environmental impacts and includes structured consultation with stakeholders.

The RIA process is clearly complementary to Poverty Impact Assessment since it includes a specific requirement to examine the impacts of regulatory proposals on the socially excluded and vulnerable groups. The synergies between the two approaches are reflected in the RIA Guidelines “*How to conduct a Regulatory Impact Analysis*” which explicitly refer policy makers to the new PIA guidelines and lists the steps involved in carrying out a poverty impact assessment.<sup>9</sup>

It should however be noted that because RIA is an ex ante approach and only applies to proposed regulatory instruments, not all policy proposals will be subject to RIA. However, where proposed regulations are involved, in order to avoid unnecessary duplication between the RIA process and poverty impact assessment, a poverty impact assessment should be included as part of the RIA process. Where a full Poverty Impact Assessment is required it will be referred to in the RIA and included as an attachment to the RIA document.

For policy proposals where RIA is not required, Poverty Impact Assessment will be conducted in the normal way as set out in these PIA guidelines.

Further information on the Regulatory Impact Analysis process, including electronic copies of the RIA Guidelines, can be obtained from the Better Regulation Unit in the Department of the Taoiseach or on the Better Regulation Website at [www.betterregulation.ie](http://www.betterregulation.ie).

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<sup>9</sup> Department of the Taoiseach (2005) *How to conduct a Regulatory Impact Analysis*, p.119

### 2.3 How to carry out a Poverty Impact Assessment

**Stage 1** of the process is the screening stage, during which the screening tool explained below should be used to determine whether it is necessary for the policy or programme to be subjected to a full poverty impact assessment. The screening tool asks whether the programme or policy is significant (or likely to be significant) in terms of overall national or departmental policy; the level of expenditure involved; the change it will bring about in existing policies or procedures and its relevance to those groups identified as being most vulnerable. When considering the response to this section it is important to remember that the inequalities sometimes experienced by these groups can often lead to poverty. Where it is found that the programme or policy is likely to be significant in any of these areas the policy maker should proceed to **Stage 2** which is the full poverty impact assessment. Where this is not the case it is not necessary to carry out a full poverty impact assessment, the summary poverty impact assessment sheet (page 27) should be completed and returned to the departmental social inclusion liaison officer (who will forward a copy to the OSI).

**Stage 2** is the full poverty impact assessment which consists of the following seven steps:

1. Formal consultation;
2. Definition of policy aims and target groups;
3. Identification of available data and research;
4. Assessment of impacts and consideration of alternatives;
5. Decision making and arrangement of monitoring;
6. Publication of results;
7. Return of summary sheet to the departmental social inclusion liaison officer.

It should be noted that, although listed separately above, there may be some overlap between these steps.

In answering the questions set out in the following pages, policy makers should include the basis of the assessment, for example, administrative data sources, household survey data, working group or task force reports etc. The indicators which will be used to measure progress of the proposed policy should also be specified.

In order to assist policy makers with accessing information to inform the process, information regarding data sources, poverty measurement and indicators is included as follows:

- Appendix 1: NAPinclusion table of high level goals and key targets
- Appendix 2: List of Social and Equality Indicators
- Appendix 3: Irish Poverty Data
- Appendix 4: List of useful websites
- Appendix 5: Worked examples of poverty impact assessment.

When considering impacts, particular attention should also be paid to inequalities which may lead to poverty. These could arise in the context of gender; marital status; family status; age; disability; race; sexual orientation; religious belief; or membership of the Traveller community.

The steps to be followed in carrying out poverty impact assessment are set out in detail in the following pages. In answering the questions set out in these steps policy makers should refer to the information in Section 3 on Poverty Issues.

**POVERTY IMPACT ASSESSMENT**

**STAGE 1 Screening** – This will inform the policy maker as to whether or not it is necessary to carry out a full poverty impact assessment. A brief overview or background of the proposal should be set out at this stage.

**Screening Tool**

<b>Is the policy, programme or proposal significant in terms of:</b>	<b>YES</b>	<b>NO</b>	<b>POSSIBLY</b>
Overall National/Departmental Policy			
The level and/or proportion of expenditure involved.			
The change it will bring about in an existing policy or procedure (specify).			
Its relevance to those groups who have been identified as being most vulnerable to poverty or social exclusion, e.g., <ul style="list-style-type: none"> <li>• Women</li> <li>• Lone parent families</li> <li>• Families with large numbers of children</li> <li>• People with disabilities</li> <li>• Unemployed</li> <li>• Members of the travelling community</li> <li>• People experiencing rural disadvantage</li> <li>• People experiencing urban poverty</li> <li>• Homeless</li> <li>• Migrants and Ethnic minorities</li> <li>• Others ... specify</li> </ul> Also need to consider potential impacts on inequalities which may lead to poverty.			

If the answer is **NO** in **all** cases then it is not necessary to carry out a full poverty impact assessment. In that case the summary sheet (p.27) should be completed and returned to the Departmental social inclusion liaison officer, or directly to the Office for Social Inclusion if there is no liaison officer.

If the answer is **YES** or **POSSIBLY** to any of the above a full poverty impact assessment should be carried out following the steps outlined in Stage 2.<sup>10</sup>

<sup>10</sup> Where, however, it is very clear that a policy, programme or proposal would have no impact from a poverty or social inclusion perspective, even though it may be significant, e.g., in terms of expenditure, then a full PIA would not be necessary. The rationale for such a decision should be set out when completing the summary sheet.

**STAGE 2      Full Poverty Impact Assessment – Summary 1/2****Step 1:            Consultation**

To ensure the process is transparent and that poverty impact assessment is integrated into the policy making process it should be incorporated into the consultation process.

Stakeholders may include staff in other departments or agencies, non-governmental organisations or individuals who may be directly affected by the policy or programme.

**Step 2:            Define Policy Aims and Target Groups**

- 2.1      What is the primary objective of this policy / programme / expenditure proposal?
- 2.2      Who is the proposal aimed at and how will the proposal affect those persons or groups?
- 2.3      What are the differences within the target group/between the target groups which might lead to them benefiting from the policy/programme in different ways and how could these be addressed?

**Step 3:            Identify Available Data and Research**

Consider what data is available within own organisation, other departments or agencies or from alternative sources. Identify data or indicators against which progress can be measured.

**Step 4:            Assess Impacts and Consider Alternatives**

- 4.1      What type of impact on poverty (either in terms of numbers in poverty or level of poverty) would the proposal have, in particular for the vulnerable groups identified? (see table 4.1 on page 22)
- 4.2      If the proposal would have no effect on poverty what options might be identified to produce a positive effect?
- 4.3      If the proposal would have a positive effect would it help to prevent people falling into poverty, reduce the level (in terms of numbers and depth) of poverty or ameliorate the effects of poverty? (specify). Explain how these positive effects are achieved and consider whether the position could be improved upon.
- 4.4      If the proposal would have a negative effect (i.e. it would increase either the numbers in poverty or the level of poverty experienced) what options could be considered to ameliorate this effect?
- 4.5      Would the proposal contribute to the achievement of the NAPinclusion goals and targets? If yes, explain how this is the case and whether the position can be improved further. If no, can anything be done so that it does contribute to the goals and targets?



<b>STAGE 2      Full Poverty Impact Assessment – Summary 2/2</b>
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- 4.6      Would the proposal address the inequalities which may lead to poverty? If not, can anything be done to address inequalities? Consider also any potential negative implications for any group named under equality legislation to ensure that the policy does not adversely affect these groups or discriminate against them. If it is found to adversely affect these groups can anything be done to ensure this is not the case?

**Step 5:            Make Decision and Arrange Monitoring**

- 5.1      Will this proposal be adopted? If the proposal needs any amendment then such changes should be poverty impact assessed to ensure that the alteration is now effective. (proposal may be adopted without change, after necessary change or not at all, based on findings of the PIA)
- 5.2      If the proposal is to be adopted, how will its impact on poverty be monitored?

**Step 6:            Publish Results**

PIA could be published as part of finalised policy/programme or on the web.

**Step 7:            Return Summary Sheet to Social Inclusion Liaison Officer**

The Social Inclusion Liaison Officer will then forward a copy to OSI. Where there is no liaison officer a copy should be sent directly to OSI.

**STAGE 2: Full Poverty Impact Assessment**

Where it has been determined (following the screening stage) that it is necessary to carry out a full poverty impact assessment, the seven steps described in the following pages should be followed.

**Step 1: Consultation**

Consultation with stakeholders is an important part of policy or programme development and review. In order to ensure that poverty impact assessment is integrated into the policy making process it should be incorporated into the consultation process. Although listed as a first step consultation can also take place during other stages of the process.

Stakeholders may include staff in other departments or agencies, non-governmental organisations and the individuals who are likely to be directly affected by the programme or policy. The consultation could take the form of a seminar, workshop or focus group, questionnaires could be circulated or submissions could be requested.

The effective benefits of consultation are that it can assist with defining policy objectives and impacts, and ensuring that the process is as transparent as possible.

In July 2005, the Taoiseach launched “*Reaching Out – Guidelines on Consultation for Public Sector Bodies*”, which provide advice on best practice in carrying out consultation processes. In carrying out poverty impact assessment it may be useful for policy makers to refer to these guidelines. Copies are available at: [http://www.betterregulation.ie/attached\\_files/Rtfs/Consultation%20Guidelines.doc](http://www.betterregulation.ie/attached_files/Rtfs/Consultation%20Guidelines.doc)

Consultation should not be seen in isolation but rather as a mechanism to inform the other steps in the process. It may not be necessary to arrange a separate specific consultation process but likely impacts on poverty as well as procedures to mitigate any possible negative effects could be considered specifically in the general consultation process which would normally be held during development of the policy or programme.

**Step 2: Define Policy Aims and Target Groups**

**2.1 What is the primary objective of this policy / programme / expenditure proposal? Consider its intended outcomes.**

*Box sizes for illustrative purposes only*

**2.2 Who is the proposal aimed at and how will the proposal affect those persons or groups?  
*Who is the proposal primarily aimed, list persons or groups, and what are the expected outcomes for these persons?***

**2.3 What are the differences within the target group/between the target groups which might lead to them benefiting from the policy/programme in different ways and how could these be addressed?**

*It is important to recognise the **diversity** that may exist within the target group as this will have implications for an individual's capacity to access the programme or benefit from the policy. In some cases there will be more than one target group and they may be reached in different ways and to different extents. For example, in the case of an educational programme specifically targeted at young adults those with children may need additional services in order to participate, migrants may need additional language supports, those with literacy problems may also need additional supports.*

*Consideration should be given to any measure which could be put in place in order to improve the position of those target groups which may not receive the full benefit of the programme or policy as it is currently designed.*

### **Step 3: Identify Available Data and Research**

#### **3.1 Importance of Data**

Access to adequate, appropriate and up to date data is necessary if poverty impact assessment is to be carried out effectively. There is no doubt that the absence of appropriate data and disaggregated (e.g. by gender/age) data in particular is often a problem in policy development or review and poverty impact assessment is no exception in this regard. In addressing the questions outlined in Step 4 below the basis of the assessment should be made clear.

The Office for Social Inclusion has as one its key support tasks the development of a data strategy to ensure that the necessary data is available for monitoring and evaluation in relation to the NAPinclusion process. It is assisted in this work by a group of technical experts and also liaises closely with the CSO, ESRI and other relevant bodies.

#### **3.2 Data Sources**

Departments and Agencies hold a vast amount of data about their own organisation and their clients. The Steering Group on Social and Equality Statistics carried out an audit of administrative and survey data sources which identified approximately 200 social and equality data sources that are currently providing or could potentially be enhanced and developed to provide information on Irish society. The report can be found at [www.nsb.ie/pdf\\_docs/Irish\\_Soc\\_Equality\\_Stats\\_Needs.pdf](http://www.nsb.ie/pdf_docs/Irish_Soc_Equality_Stats_Needs.pdf)

In 2003, the Central Statistics Office conducted an examination of data holdings in six government departments and produced a report on the statistical potential of administrative records, with the primary focus being on data of relevance to social statistics<sup>11</sup>. This report, known as the “SPAR Report”, along with departmental data strategies have been identified as “*valuable contributions to better understanding and utilization of data in departments*”.<sup>12</sup>

The CSO publishes the results of the new EU Survey on Income and Living Conditions (EU-SILC), which since 2003 has replaced the earlier Living In Ireland Survey (LIIS), which was conducted and reported upon by the ESRI. The CSO also holds data on numerous issues such as education, housing and employment. The data on poverty contained in Appendix 3 is drawn from the LIIS and EU-SILC surveys.

Previous research such as working group reports or expenditure reviews may also be a useful source of information.

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<sup>11</sup> The six departments are Education & Science; Environment, Heritage & Local Government; Health & Children; Justice, Equality & Law Reform; Social & Family Affairs and the Office of the Revenue Commissioners.

<sup>12</sup> Department of An Taoiseach (2005) *Sustaining Progress 2003-2005 Final Report on Special Initiatives*, p.3

### 3.3 Indicators

It is important that indicators against which progress will be measured are specified. Indicators do not necessarily have to relate simply to earnings or income.

Examples of indicators include: employment rates for various age groups; numbers of early school leavers participating in training programmes; number of homeless people; and numbers of people living in consistent poverty.

The abovementioned report of the Steering Group on Social and Equality Statistics identified a range of social and equality indicators which can be used when setting targets for policies and monitoring progress against them. These indicators are included in Appendix 2.

**Step 4: Assess Impacts and Consider Alternatives**

Consider whether the proposal has any impact on poverty, e.g., on the numbers of people at risk of poverty, numbers of people in consistent poverty, persistent poverty, or the depth of poverty experienced. (These terms are explained in Section 3 - Box 3.1).

It is important to remember that it is not just monetary effects in terms of poverty but, because of the definition of poverty used, it is a wider social inclusion aspect that should be considered. In that regard it should also be remembered that some effects may not be immediate but could occur in the medium to long term and so it is important to take a long-term view. For example, facilitating access to educational services could have a positive impact in the medium to long term in that the beneficiaries of such a programme would be expected to be more likely to find employment than they would otherwise have been.

**4.1 What type of impact on poverty (either in terms of numbers in poverty or level of poverty) would the proposal have in particular for the vulnerable groups identified?**

Vulnerable Groups (NB – list is not exhaustive)	Likely impact of the programme/project in terms of poverty		
	None See Q.4.2	Positive See Q.4.3	Negative See Q.4.4
Women			
Lone parents			
Families with large numbers of children			
People with disabilities			
Members of the travelling community			
People experiencing urban disadvantage			
People experiencing rural poverty			
Homeless			
Migrants and Ethnic minorities			
Others ..... please specify			

Questions 4.2, 4.3 and 4.4 below should be answered as appropriate depending on whether there is likely to be no impact, a positive impact or a negative impact. It may be necessary to answer all three of these questions.

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

*Consider whether any changes could be made so that it would have a positive effect*

**4.3 If the proposal would have a positive effect would it help to prevent people falling into poverty; reduce the level (in terms of numbers and depth) of poverty and/or ameliorate the effects of poverty?**

*Explain how these positive effects are achieved and consider how the position could be improved upon.*

**4.4 If the proposal would have a negative effect (e.g., by increasing the numbers in poverty or the level of poverty experienced) what options could be considered to ameliorate this effect?**

*Explain how the negative effects occur and consider whether it would be possible to amend the proposal in order to prevent these negative effects or whether additional measures could be put in place to counteract the negative effects.*

**4.5 Would the policy/programme/proposal contribute to the achievement of the NAPinclusion goals and targets?**

*If it does contribute to the achievement of the targets, explain how this is the case and consider whether the position can be improved further. If it does not, consider whether anything can be done to reverse the position. In this regard, consideration should be given as to whether the programme is specifically aimed at groups experiencing poverty or at risk of poverty, i.e., whether it is intended as an anti-poverty measure. The NAPinclusion goals and key targets are listed in the NAPinclusion summary table at Appendix 1. The full list of targets can be*

*found in the plan which is on the website of the Office for Social Inclusion at [www.socialinclusion.ie](http://www.socialinclusion.ie).*

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

*The relationship between poverty and inequality is quite a complex one (see also Section 3.3). Equality legislation in Ireland recognises that inequality can occur under any of the following grounds: gender, family status, marital status, age, disability, sexual orientation, race, religion, and membership of the Traveller community.*

*Consideration should be given to whether the programme or policy has a particular relevance to people in any of these categories, whether it could increase inequality or discrimination experienced by them, and, if so, whether the policy can be amended or refocused to address this.*



**Step 5: Make Decision and Arrange Monitoring**

**5.1 Will this proposal be adopted?**

*When the impacts of the proposed options have been assessed and alternatives considered to counteract any negative effects have been identified a decision can then be made as to whether or not to proceed with the policy or programme. Where changes to the policy have been made these should also be subject to a poverty impact assessment.*

**5.2 If the proposal is to be adopted, how will its impact on poverty be monitored?**

*Arrangements should be put in place to monitor whether (and to what extent) the expected impact is actually occurring. The indicators against which progress will be monitored should be specified here. This section should also make clear which office/unit will be responsible for the monitoring. The frequency with which the indicators will be monitored should also be noted.*

*If a programme or policy is being put in place to counteract any negative impacts resulting from the original programme it should also be monitored and details of how that will be undertaken should also be included here.*

**Step 6: Publish Results**

In order for the process of poverty impact assessment to be transparent it is important that not just the results of the assessment but also details as to how decisions were reached (and the data on which they were based) are made available where this is possible, and subject to requirements such as those relating to cabinet confidentiality.

If the poverty impact assessment relates to a published report such as an expenditure review then the analysis should be published as part of that document. Alternatively, the information could be made available on the organisation's website.

**Step 7: Return Summary Sheet to Social Inclusion Liaison Officer**

When these steps have been completed the summary sheet below should be completed and returned to the department's social inclusion liaison officer who will in turn forward a copy to the Office for Social Inclusion (OSI). If there is no liaison officer a copy should be sent direct to the OSI.

The OSI will use these summary sheets for statistical purposes and random selections will be made periodically in order to monitor progress and identify examples of best practice. The OSI will provide updates regarding poverty impact assessment through the Social Partnership process.

**POVERTY IMPACT ASSESSMENT - SUMMARY SHEET**

This summary sheet should be completed and returned to the department's social inclusion liaison officer, upon completion of the full poverty impact assessment, or screening stage, as appropriate. If there is no liaison officer a copy of this sheet should be sent direct to the Office for Social Inclusion.

**Department Name:** \_\_\_\_\_

**Programme/Policy Title:** \_\_\_\_\_ **Date of policy implementation** \_\_\_\_\_

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

**Date poverty impact assessment was carried out:** \_\_\_\_\_

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

**Brief summary of results:** (If a full poverty impact assessment was not carried out, specify this and refer to the results of the screening stage.)

**If these results were published please specify where they are available. If they were not published, please explain why.** \_\_\_\_\_  
\_\_\_\_\_

**Contact Information:**

**Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**Telephone Number** \_\_\_\_\_ **Email address:** \_\_\_\_\_

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Note to Social Inclusion Liaison Officer:** Please keep the original summary sheet and send a copy to the Office for Social Inclusion, Floor 1, Gandon, Amiens Street, Dublin 1

*Section 3*

***INFORMATION ON  
POVERTY ISSUES***

### 3.1 Definitions of Poverty

The definition of poverty underpinning the Government's strategic response to tackling poverty and social exclusion, as set out in the National Action Plan for Social Exclusion 2007-2016 (NAPinclusion), is:

*"People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and other resources, people may be excluded and marginalised from participating in activities which are considered the norm for other people in society."*

Put more simply, poverty is deprivation due to a lack of resources, both material and non-material, for example, income, housing, health, education, knowledge and culture. Such resources can be personal, within the family, or within the community.

There are a number of related terms which are relevant when carrying out poverty impact assessment. These terms are defined in Box 3.1.

### Box 3.1 Definitions

Deprivation is defined as unmet basic human needs.

Social exclusion is being unable to participate in society because of a lack of resources that are customarily available to the general population. It can refer to both individuals, and communities in a broader framework, with linked problems such as low incomes, poor housing, high crime environments and family problems. The concept of social exclusion recognises another dimension of poverty, in that it focuses on relational issues such as inadequate social integration and lack of power.

Inequality is a comparative or relative concept. It does not measure deprivation or poverty and does not require a threshold. The relationship between poverty and inequality is quite a complex one. Often inequalities lead to poverty but it is possible for inequality to exist without poverty.

'At risk of poverty', also known as relative income poverty, is the term used to identify those who fall below a certain income threshold, usually 60% of the median equivalised disposable income.\* Median income is the figure that divides the income distribution in society into two equal parts, half having incomes above the median and half having incomes below the median. It should be noted that persons 'at risk of poverty' are not necessarily in poverty. Whether they are in poverty will depend on a number of factors including: the degree to which their income is below the threshold; the length of time on this low income; and their possession and use of other assets, especially their own homes.

Consistent poverty is the official Government approved poverty measure used in Ireland. This measure identifies the proportion of people, from those with an income below the 'at risk of poverty' threshold (less than 60% of median income), who are deprived of two or more goods or services from the following 11-item index:

1. Two pairs of strong shoes;
2. A warm waterproof overcoat;
3. Buy new not second-hand clothes;
4. Eat meals with meat, chicken, fish (or vegetarian equivalent) every second day;
5. Have a roast joint or its equivalent once a week;
6. Had to go without heating during the last year through lack of money;
7. Keep the home adequately warm;
8. Buy presents for family or friends at least once a year;
9. Replace any worn out furniture;
10. Have family or friends for a drink or meal once a month;
11. Have a morning, afternoon or evening out in the last fortnight, for entertainment.

Consistent poverty is the basis for the overall poverty goal in the NAPinclusion, which is, ***'to reduce the number of those experiencing consistent poverty to between 2% and 4% by 2012, with the aim of eliminating consistent poverty by 2016, under the revised definition.'***

Persistent poverty – Persons are regarded as being in persistent poverty if they have lived for 3 of the last 4 years in households below 60% of median income.

*Depth of poverty*, or the *poverty gap*, essentially measures the difference between the average income of those who are regarded as being at risk of poverty and the average income of the population as a whole. It is sometimes regarded as a measure of ‘how poor are the poor’

\* Disposable income is defined as gross income less tax and PRSI. Equivalised means that the level takes into account differences in household size and composition.

### 3.2 *Poverty measurement, data and indicators*

There is no one measure that will give a perfect picture of the situation regarding deprivation, poverty or social exclusion. This is particularly true for a country like Ireland that has experienced rapid economic growth in recent years. Therefore, a number of indicators are used to measure progress in combating poverty and social exclusion: covering areas such as low income (definitions of several key income-related indicators are included above in Box 3.1), early school leavers, jobless households, long term unemployment, life expectancy etc. EU Member States adopted a revised set of common indicators of social protection and social inclusion in June 2006, against which to report in their National Reports on Strategies for Social Protection and Social Inclusion (NSSPIs). The list of main social inclusion indicators is set out in Box 3.2 below.

**Box 3.2****Social Inclusion indicators agreed by EU Member States****Income**

- *At risk of poverty* rate
- *At risk of poverty* rate anchored at a fixed moment in time
- Persistent *at risk of poverty* rate
- *At risk of poverty* gap
- *At risk of poverty* rate before social transfers
- Dispersion around the *at risk of poverty* threshold
- In-work poverty risk
- S80/S20 income ratio
- Gini co-efficient

**Employment**

- Long-term unemployment rate
- Regional Cohesion (dispersions of regional employment rates)
- Jobless Households
- Employment gap of immigrants
- Making work pay indicators (unemployment trap, inactivity trap, low-wage trap)

**Education**

- Early school leavers
- Persons with low educational attainment
- Low reading literacy performance of pupils

**Health**

- Healthy life expectancy
- Child well-being (to be developed)

**Housing**

- Housing (to be developed)

**Deprivation**

- Material deprivation (to be developed)
- Self reported limitations in daily activities



The 'at risk of poverty' measure is the best known and quoted measure of poverty, as it affords some comparisons with other countries. It does not, however, measure poverty as such, but rather the proportion of people below a certain income threshold. The 'at risk of poverty' indicator has particular limitations as a measure of poverty in the case of Ireland in recent years. It takes no account of overall living standards and fails to reflect the fact that the 60% median income threshold increased by 88% from €102.44 in 1997 to €192.74 in 2005. Over the same period, prices (CPI) increased by 30.6%, average industrial earnings increased by 56.4% and basic social welfare payments increased by 79.1%.

The high levels of economic growth led to an increase in the number of women in the workforce and, consequently, in the number of two income households. Incomes in these cases outpaced the incomes of those who were not in the workforce and of some single income families. All groups in society have benefited from economic growth, therefore the main value of the indicator is in identifying particular groups which may have difficulty keeping pace with living standards generally. It has also been acknowledged that the 'at risk of poverty' indicator is not suited to making comparisons between countries at different stages of economic development.

In order to get a better picture of those most in need, Ireland makes use of a combination of the 'at risk of poverty' measure together with deprivation indicators. Persons who have both low levels of income and who experience basic deprivation are considered to be living in consistent poverty. This measure was developed independently by the Economic and Social Research Institute (ESRI) in 1987 using indicators of deprivation based on standards of living at that time. The measure has been updated in the new NAPinclusion with an expanded set of deprivation indicators, which focus to a greater degree on items reflecting social inclusion and participation in society.

The EU Survey on Income and Living Conditions (EU-SILC) will be used to monitor poverty trends for the future. EU-SILC is an annual survey that provides information on poverty, deprivation and social exclusion. The survey is conducted in Ireland by the Central Statistics Office (CSO). A representative sample of households throughout the country is approached to provide the required information. Data is required in both cross-sectional (pertaining to a given time in a certain time period) and longitudinal (pertaining to individual-level changes over time) dimensions. Therefore, certain households will be surveyed on an annual basis.

The results of EU-SILC provide a picture of income, living conditions and poverty throughout the EU. They also play an important role in meeting Irish national requirements in the area of poverty, social exclusion and household income. Government departments should also make use of the EU-SILC results in shaping policy, which in one way or another directly affects individual households.

Appendix 3 contains detailed poverty data relating to Ireland drawn principally from the new EU-SILC survey.

### 3.3 Poverty and Inequality Interface

The original National Anti Poverty Strategy (NAPS) emphasised the multi-dimensional nature of poverty and accepted that inequalities can cause and perpetuate poverty. This relationship between poverty and inequality was specifically reflected in three of the principles underlying the NAPS as follows: ensuring equal access and encouraging participation for all; guaranteeing the rights of minorities, especially through anti-discrimination measures; and the reduction of inequalities and in particular addressing the gender dimensions of poverty.

On its introduction it was agreed that poverty proofing should include a focus on inequalities in so far as they are likely to lead to poverty. This was reflected in the original guidelines where policy makers were asked to pay particular attention to this issue. The 2003 report of the Combat Poverty Agency '*Poverty and Inequality: Applying an Equality Dimension to Poverty Proofing*', is a good resource to assist a better understanding of the relationship between poverty and inequality.<sup>13</sup>

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<sup>13</sup> Combat Poverty Agency & Equality Authority (2003) *Poverty and Inequality: Applying an Equality Dimension to Poverty Proofing*.

*Section 4*

***APPENDICES***

## Appendix 1 – NAPinclusion high level goals and targets

Set out below are the twelve high level goals and some key targets which are contained in the NAPinclusion 2007-2016. Reports of progress against these goals and all of the NAPinclusion targets will be periodically updated to the website of the Office for Social Inclusion at [www.socialinclusion.ie](http://www.socialinclusion.ie). The website also contains a large amount of additional useful material relating to poverty and social exclusion.

Lifecycle Stage	Goal/Target
<p><b>Children</b></p>	<p><b>High Level Goal 1</b> – Education – Ensure that targeted pre-school education is provided to children from urban primary school communities covered by the Delivering Equality of Opportunity in Schools (DEIS) action plan</p> <p><b>High Level Goal 2</b> – Education – Reduce the proportion of pupils with serious literacy difficulties in primary schools serving disadvantaged communities. The target is to halve the proportion from the current 27%-30% to less than 15% by 2016</p> <p><b>High Level Goal 3</b> – Education – Work to ensure that the proportion of the population aged 20-24 completing upper second level education or equivalent will exceed 90% by 2013</p> <p><b>High Level Goal 4</b> – Income Support – Maintain the combined value of child income support measures at 33%-35% of the minimum adult social welfare payment rate over the course of this Plan and review child income supports aimed at assisting children in families on low income</p> <p><b>Targets:</b></p> <p>An infrastructure will be developed to provide quality, affordable childcare and an increase in the number of childcare places (of all types) by 100,000 over the period to 2016. The National Childcare Investment Programme, 2006-2010 (NCIP) will create 50,000 of these places</p> <p>A National Childcare Training Strategy will be developed to provide 17,000 childcare training places over the period 2006-2010, and include the quality and training provisions of the NCIP</p>

<b>Children cont.</b>	<p><b>Targets cont:</b></p> <p>In order to meet high level Goal 1, the Early Childhood Education measure under the DEIS Action Plan will be extended to the urban primary school communities with the most immediate and pressing needs by 2010. This measure will continue to be extended to encompass the remaining schools in the urban primary strand of DEIS after 2010</p> <p>Substance use policies will be put in place in 100% of schools by 2008</p>
<b>Working Age</b>	<p><b>High Level Goal 5 – Employment and Participation -</b> Introduce an active case management approach that will support those on long-term social welfare into education, training and employment. The target is to support 50,000 such people, including lone parents and the long-term unemployed, with an overall aim of reducing by 20% the number of those whose total income is derived from long-term social welfare payments by 2016. This target will be reviewed in the light of experience</p> <p><b>High Level Goal 6 – Income Support –</b> Maintain the relative value of the lowest social welfare rate at least at €185.80, in 2007 terms, over the course of this Plan, subject to available resources.</p> <p><b>Targets:</b></p> <p>To achieve and surpass the Lisbon targets: to increase the overall employment rate to 70% by 2010; to continue to increase the female employment rate above 60%; and to continue to increase the employment rate of older workers above 50%</p> <p>The extension of the Employment Action Plan process to those who are three months unemployed (previous threshold was six months) and those who are aged 55-64 will enable the provision of increased and earlier engagement</p> <p>The Department of Enterprise, Trade and Employment will invest some €2.9 billion between 2007-2013 to improve training for people in employment, to help upskill those who may be affected by industrial restructuring, to improve and enlarge the apprenticeship system and to provide progression opportunities for school leavers</p> <p>The Back to Education Initiative, providing support for adults who did not complete upper second-level schooling, will be expanded by an additional 2,000 places by 2009, in addition to the 8,000 places currently provided</p>

<b>Working Age cont.</b>	The proportion of the population aged 16-64 with restricted literacy will be reduced to between 10%-15% by 2016, from the level of 25% found in 1997 (restricted literacy being defined as Level I on the International Adult Literacy Survey (IALS) scale, or equivalent).
<b>Older People</b>	<p><b>High Level Goal 7 – Community Care –</b> Continue to increase investment in community care services for older people, including home care packages and enhanced day care services, to support them to live independently in the community for as long as possible</p> <p><b>High Level Goal 8 – Income Support –</b> Maintain a minimum payment rate of €200 per week, in 2007 terms, for all social welfare pensions over the course of this Plan and, if possible, having regard to available resources and the Government’s commitment in Towards 2016, to enhance this provision. The overall pension structures and system to provide income supports for pensioners will be reviewed in the light of the forthcoming Green Paper on Pensions, to be finalised at end March 2007. This will review all the pillars of pension provision</p> <p><b>Targets:</b></p> <p>The level of the Qualified Adult Allowance for pensioner spouses will be increased to the level of the State Pension (non-contributory) by 2009</p> <p>Future Housing Action Plans will address special needs in a more strategic manner when the current plans come to an end in 2008</p> <p>An additional 2,000 home care packages, benefiting an estimated 4,000 people will be provided, at a cost of €30 million in 2007 and €25 million in 2008</p> <p>An additional 780,000 hours of home help services will be provided, at a cost of €18 million in 2007</p> <p>Services to provide enhanced home security, energy conservation and other measures for vulnerable older people will continue to be a priority activity within the Community Supports for Older People. It is intended to fund applications for some 5,000 people per year.</p>

<p><b>People with Disabilities</b></p>	<p><b>High Level Goal 9 – Employment and Participation –</b>  Increase the employment of people with disabilities who do not have a difficulty in retaining a job. The immediate objective is to have an additional 7,000 of that cohort in employment by 2010. The longer term target is to raise the employment rate of people with disabilities from 37% to 45% by 2016 as measured by the Quarterly National Household Survey. The overall participation rate in education, training and employment will be increased to 50% by 2016. These targets will be reviewed in the light of experience and the availability of better data</p> <p><b>Targets:</b></p> <p>In terms of ensuring adequate levels of income for people with disabilities, the Government will work for the continued enhancement and integration of supports in line with overall social welfare commitments and targets. Issues around the cost of disability will be progressed in the context of:</p> <ul style="list-style-type: none"> <li>• The development of the needs assessment process to be established under Part 2 of the Disability Act, 2005, (due to commence by mid-2007); and</li> <li>• The opportunities for the rationalisation and development of payments following the transfer of disability-related income maintenance schemes from the HSE to the Department of Social and Family Affairs. Provision for the transfer of these schemes is to be made in the Social Welfare Bill 2008;</li> <li>• The results of the National Disability Survey, which will be published in 2007; and</li> <li>• The Inter-departmental Group on the Costs of Disability will oversee these developments.</li> </ul> <p>Progress reports will be prepared on the implementation of the Disability Sectoral Plans after 3 years (2009) and the Disability Act will be reviewed after 5 years (2010).</p> <p>A national housing strategy for people with disabilities will be developed by end 2009, as recommended in the NESC <i>Housing in Ireland</i> report.</p>
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<p><b>Communities</b></p>	<p><b>High Level Goal 10</b> – Housing – Deliver high quality housing for those who cannot afford to meet their own housing needs and to underpin the building of sustainable communities. An important element will be the enhanced housing output reflected in Towards 2016, which will result in the accommodation needs of some 60,000 new households being addressed over the period 2007 to 2009. This will embrace meeting special housing needs (the homeless, Travellers, older people and people with disabilities).</p> <p><b>High Level Goal 11</b> – Health – Develop 500 primary care teams by 2011 which will improve access to services in the community, with particular emphasis on meeting the needs of holders of medical cards</p> <p><b>High Level Goal 12</b> – Integration of Migrants – Develop a strategy aimed at achieving the integration of newcomers in our society. As an initial action, resources for the provision of 550 teachers for language supports in the education sector will be provided by 2009 and access to other public services through translation of information and supports will be improved</p> <p><b>Targets:</b></p> <p>A more comprehensive and objective means of assessing need will be developed by end of 2008. This will include a focus on the provision of housing advice to allow housing supports to be tailored to reflect changing accommodation needs through a person’s lifecycle</p> <p>The Rental Accommodation Scheme (RAS) will be implemented fully by 2009. Some 32,000 households which have been in receipt of rent supplement for over 18 months and which have a long-term housing need will benefit</p> <p>Out-of-hours GP services will be further developed with a view to having those services available to the whole population over the course of this Plan</p> <p>The HSE will develop a National Equality Strategy in 2007</p> <p>A National Strategy designed to address the unique health and support needs of minority groups, for example, refugees, migrants and Travellers will be developed by early 2007.</p>
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## Appendix 2 - Social and Equality Indicators<sup>14</sup>

### Department of Health and Children

- Birth rates per 1,000 population
- Total period fertility rates
- Percentage of live births to females aged 15-19 per 1,000 population
- Fertility rates - All data to be gender disaggregated and available by county, region (BMW/SAE) as well as at national level
- Children in care - Rate per 10,000 children under 18 by type of care (this is a census - i.e. point in time figure)
- Crude death rate
- Percentage distribution of deaths by principal cause
- Adults on in-patient waiting lists >12 mths for various specialities
- Children on in-patient waiting lists >6 mths
- Number of individuals presenting with para-suicide in Accident and Emergency Departments per 100,000 population
- Birth Weight by socio-economic status of parents
- Percentage of Caesarian births
- New cases of HIV per 100,000 population by route of transmission
- New cases of AIDS per 100,000 population by route of transmission
- Rate of new longstay mental health inpatients per 100,000 population and rate of new longstay
- Mental health clients in community settings per 100,000 population
- The number of patients, over 65 years on the waiting list for (a) Cataract surgery (b) ENT surgery (c) Orthopaedic surgery. The number of cataract procedures completed on (a) a day case basis (b) an in-patient basis
- Percentage of new patients seen in Out-Patient Department within 13 weeks of referral by GP H Waiting times in Out-Patient Department (% seen in under 60 minutes)
- Number of children who appeared to the Health Boards to be homeless
- Age specific injury mortality in 0-19 age group
- Suicide rate per 100,000 of population by gender, age and county of residence
- Number and outcome of abuse cases (2 tables - (i) outcome of cases reporting in current year (ii) outcomes on cases which were on-going from previous year)

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<sup>14</sup> Adapted from *NSB (2003) Developing Irish Social and Equality Statistics to meet Policy Needs – Appendix E*. The full report can be found at [www.nsb.ie/pdf\\_docs/Irish\\_Soc\\_Equality\\_Stats\\_Needs.pdf](http://www.nsb.ie/pdf_docs/Irish_Soc_Equality_Stats_Needs.pdf)

**Department of Agriculture and Food**

- Total employment/unemployment/labour force
- GDP per capita
- GNP per capita
- Consumer Price Index
- Personal Consumption Expenditure for Ireland
- Population: urban, rural & total
- Population density
- Migratory balance, urban, rural, total
- Total household income and its components for farm, urban and other rural households
- Regional convergence in living standards
- No. of farmers
- No. of part-time farmers
- Average income per farm (farm income only)
- Average income per family work unit
- Average direct payment per farm
- Distribution of farm support direct payments by deciles of FFI

**Department of Enterprise, Trade and Employment**

- Employment Rate (ILO)
- Labour Force Participation Rate (ILO)
- Unemployment Rate (ILO)
- Long-term Unemployment Rate
- Live Register (Unadjusted and seasonally adjusted figures)
- Earnings
- Work Permits

**Department of Social and Family Affairs**

- Number of people in consistent poverty
- Number of people below 60% median relative income line
- Numbers in deprivation (using the ESRI index)
- Numbers persistently on low income
- Social expenditure and pensions expenditure as % of GDP and GNP
- Average Weekly Household Equivalent Income
- Risk of poverty for people aged 60+, 65+ and 75+ (men/women/total, by household type, by home ownership)
- Demographic old age dependency ratio (current and projected): number of persons aged 60/65+ in relation to working age population
- Number of under-age pregnancies

**Department of Social and Family Affairs (cont.)**

- No. of persons aged 15 or over providing unpaid personal help for someone with a long term illness, health problem or disability, including problems due to old age (Census 2002)
- Number of children in care: Numbers below thresholds (40%/50%/60%, mean/median)
- Income at the Nth percentile, and the ratio between this and average incomes
- Numbers lacking basket of necessities; lacking particular necessities; lacking access to particular essential services
- Numbers in debt; numbers with self-reported financial difficulties
- % of people aged 60/65/75+ living alone (men/women/total)
- Risk of poverty for people whose main activity status is retired (men/women/total)
- income of people aged 60+, 65+ and 75+ relative to complementary groups and people aged 45-54 (men/women/total, by household type)

**Department of Education and Science**

- Education Profile of Population: Highest level of education achieved among the population by gender, age group, SES status, employment status, labour market participation, ethnicity, region, etc.
- Highest level of education achieved among the population by field of study
- Pupil Teacher Ratio in primary schools nationally and in schools with a high concentration of at-risk pupils, by standard (i.e. class level)
- Data on the transfer rate from second level to third level education (i.e. % of School Leavers going to 3rd level)
- Number and proportion of young people who complete upper second level or equivalent (NAPS)
- Pupil Teacher Ratio in second-level schools nationally and in schools with a high concentration of at risk pupils
- Number of places and numbers participating in further and continuing education & training
- Average class size in primary schools nationally and in schools with a high concentration of at-risk pupils, by standard (i.e. class level)
- Expenditure on education as a proportion of GDP/GNP, with comparative international data
- Percentage of adults (16-65 years) at each of five proficiency levels in prose literacy, quantitative literacy and documents literacy, disaggregated by age (range), gender, socio-economic status (employment), location, ethnicity and 'native' vs. 'foreign born', with comparative international data. (IALS 1994)
- Number and proportion of untrained teachers in schools and the number of teachers qualified in the subject areas in which they are teaching

### **Department of Education and Science (cont.)**

- Number of 18-24 year olds with only lower secondary level education who are not in further education and training
- Second Level Destination data, including point of drop-out data
- Average class size in second-level schools nationally and in schools with a high concentration of at risk pupils
- Third level graduates by gender, age, SES status, country of origin, level of award, field of study
- Expenditure by companies on training
- Projections of future enrolment at all levels of the education system

### **Department of Community, Rural and Gaeltacht Affairs**

- The percentage of lone parents
- The age dependency rate
- The proportion of permanent private households which are Local Authority rented
- First Treatment Demand
- Drug related offences
- ESPAD survey of illicit drug use among school children
- The % of those at work engaged in small farming (under 30 acres)
- The proportion of households with two or more cars

### **Department of Justice, Equality & Law Reform**

- Number of applications for asylum
- Nationality of asylum seekers
- 3% Target for Employment of People with Disabilities in the Public Service
- Number of prisoners on remand
- Number of overall committals in a year
- Number of asylum seekers missing from Reception Centres by nationality
- Deportation statistics (asylum seekers)
- Details of asylum seekers granted refugee status

### **Department of Environment, Heritage and Local Government**

- Assessment of Social Housing Needs
- Data on Greenhouse Gas Emissions - EPA - To provide an assessment on the environment in Ireland through the use of key environmental indicators
- Data on water quality - EPA
- % of population on the Live Register
- Location and brief description of dwelling/building affected by fire

**Department of Environment, Heritage and Local Government (cont.)**

- Affordability Index
- Housing Activity, aggregate house (private, social and affordable) completions classified by area, new house guarantee registrations, new houses completed by type
- Profile of borrowers, previous tenure of borrowers, marital status of borrowers, ranges of income of borrowers, occupation of borrowers
- Traveller families in local authority assisted accommodation, on the roadside or other private accommodation
- Data on Household and Commercial Waste
- Data on bathing water quality
- Vehicle Owner/Driver/Pedestrian

### Appendix 3 - Poverty Data for Ireland

**Table 1: Consistent Poverty Rates 2003 – 2006 (based on revised 11-item index)**

	<b>EU-SILC 2003</b>	<b>EU-SILC 2004</b>	<b>EU-SILC 2005</b>	<b>EU-SILC 2006</b>
<b>Percentage of persons in consistent poverty</b>	8.2	6.6	7.0	6.5

**Table 2: ‘At Risk of Poverty’ Rates 1994 – 2006**

	<b>LIIS 1994</b>	<b>LIIS 1997</b>	<b>LIIS 1998</b>	<b>LIIS 2000</b>	<b>LIIS 2001</b>	<b>SILC 2003</b>	<b>SILC 2004</b>	<b>SILC 2005</b>	<b>SILC 2006</b>
<b>Percentage of persons ‘at risk of poverty’</b>	15.6	18.2	19.8	20.9	21.9	19.7	19.4	18.5	17.0

Sources: ESRI *Monitoring Poverty Trends in Ireland: Results from the 2001 Living in Ireland Survey (LIIS)* & CSO Statistical Releases on EU-SILC

Based on median income threshold (60%) and using the national equivalence scale.

## Consistent Poverty Rates

		2003 (%)	2004 (%)	2005 (%)	2006 (%)
<b>Table 3</b>  <b>CONSISTENT POVERTY RATES</b>  - <b>Percentage of persons below 60% of median income and experiencing deprivation (based on revised 11-item index)</b>	<b>Overall</b>	8.2	6.6	7.0	6.5
	Men	7.8	6.1	6.8	6.4
	Women	8.6	7.1	7.2	6.6
	Age 0-14	11.7	9.3	10.2	9.8
	15-64	7.5	6.2	6.7	6.2
	65+	5.9	3.9	3.1	2.2
	At Work	1.9	1.5	1.7	1.5
	Unemployed	26.6	19.3	23.7	22.0
	Student	9.0	7.4	10.5	10.8
	Home Duties	12.3	10.1	9.5	8.3
	Retired	5.7	3.9	2.8	3.2
	Ill/Disabled	22.9	22.7	17.8	17.9
	Other	13.7	14.0	15.8	14.2
	1 adult, no children	11.9	10.2	8.0	8.4
	2 adult, no children	5.7	5.3	4.7	4.0
	3+ adult, no children	4.0	3.0	3.3	3.2
	1 adult with children	33.7	30.1	26.9	27.3
2 adults with 1-3 children	5.3	4.8	5.5	5.1	
Other h'holds with children	13.1	8.6	11.4	9.9	
Irish nationals	7.9	6.3	6.8	6.4	
Non-Irish nationals	14.4	11.5	11.0	8.5	

		2003 (%)	2004 (%)	2005 (%)	2006 (%)
<b>Table 4</b>  <b>CONSISTENT POVERTY COMPOSITION</b>  - <b>Composition of population below 60% of median income and experiencing consistent poverty (based on revised 11-item index)</b>	<b>Total</b>	100.0	100.0	100.0	100.0
	Men	47.4	45.8	48.4	49.2
	Women	52.6	54.3	51.6	50.8
	Age 0-14	29.7	29.5	30.0	30.8
	15-64	62.3	63.9	65.1	65.5
	65+	8.0	6.5	4.9	3.7
	At Work	9.6	9.0	10.3	9.8
	Unemployed	11.5	9.8	11.5	10.9
	Student	8.1	9.1	12.5	14.4
	Home Duties	20.7	21.5	18.0	16.8
	Retired	4.5	4.0	2.7	3.2
	Ill/Disabled	9.7	12.5	9.1	9.3
	Other	1.9	2.1	1.9	2.1
	1 adult, no children	10.9	11.6	8.8	9.9
	2 adult, no children	12.0	14.3	12.0	11.2
	3+ adult, no children	12.1	11.6	11.8	12.5
	1 adult with children	14.1	17.0	14.4	15.4
2 adults with 1-3 children	15.9	18.0	19.4	19.1	
Other h'holds with children	35.1	27.5	33.7	32.0	
Irish nationals	92.1	92.0	91.8	91.9	
Non-Irish nationals	7.9	8.0	8.3	8.1	

**'At Risk of Poverty'**

<b>Table 5</b>		<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
		<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
<b>'AT RISK OF POVERTY' RATES</b> - <b>Percentage of persons below 60% of median income</b>	<b>Overall</b>	19.7	19.4	18.5	17.0
	Poverty Gap	21.5	19.8	20.8	17.5
	'At risk of poverty anchored at a point in time' (2003)	19.7	17.0	16.0	13.7
	Men	18.9	18.0	18.4	16.6
	Women	20.4	20.8	18.5	17.4
	Age 0-14	21.0	21.2	21.2	20.2
	15-64	17.6	17.6	17.4	16.6
	65+	29.8	27.1	20.1	13.6
	At Work	7.6	7.0	7.0	6.5
	Unemployed	41.5	37.2	40.6	44.0
	Student	23.1	23.6	29.5	29.5
	Home Duties	31.8	32.1	27.6	23.8
	Retired	27.7	26.1	20.5	14.8
	Ill/Disabled	51.7	47.3	40.6	40.8
	Other	*	52.3	35.7	32.1
	1 adult, no children	40.4	35.7	28.8	25.4
	2 adult, no children	21.2	21.4	16.6	13.8
3+ adult, no children	12.4	12.7	13.8	13.2	
1 adult with children	49.3	48.3	40.7	39.6	
2 adults with 1-3 children	12.3	12.5	12.8	11.7	
Other h'holds with children	23.2	23.1	24.7	23.4	
Irish nationals	19.3	19.0	18.0	16.6	
Non-Irish nationals	27.9	29.2	26.9	23.5	

\*Sample occurrence too small for estimation

<b>Table 6</b>		<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
		<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
<b>AT RISK OF POVERTY COMPOSITION</b> - <b>Composition of population below 60% of median income</b>	<b>Total</b>	100.0	100.0	100.0	100.0
	Men	47.8	46.1	49.8	48.8
	Women	52.2	53.9	50.3	51.2
	Age 0-14	22.3	22.8	23.6	24.3
	15-64	60.8	61.7	64.3	66.9
	65+	16.9	15.6	12.1	8.9
	At Work	16.0	14.8	15.7	16.1
	Unemployed	7.6	6.4	7.5	8.3
	Student	8.6	9.8	13.4	15.0
	Home Duties	22.5	23.2	19.7	18.4
	Retired	9.0	9.2	7.5	5.8
	Ill/Disabled	9.1	8.8	7.9	8.0
	Other	1.9	2.7	1.6	1.8
	Single adult, no children	15.5	13.7	11.9	11.5
	2 adult, no children	18.7	19.5	16.2	14.7
	3+ adult, no children	15.8	16.5	18.9	19.6
	1 adult with children	8.7	9.2	8.3	8.5
2 adults with 1-3 children	15.4	16.0	17.2	16.8	
Other h'holds with children	26.1	25.2	27.7	29.0	
Irish nationals	93.6	93.2	92.3	91.4	
Non-Irish nationals	6.5	6.8	7.7	8.6	



Table 7: Key EU Common Income Indicators for Poverty and Social Exclusion

INCOME INDICATORS	1999		2001		2003		2004		2005		2006	
	<i>Ireland</i>	<i>EU 15 average</i>	<i>Ireland</i>	<i>EU 15 average</i>	<i>Ireland</i>	<i>EU 15 average</i>	<i>Ireland</i>	<i>EU 15 average</i>	<i>Ireland</i>	<i>EU 15 average</i>	<i>Ireland</i>	<i>EU 15 average</i>
At-risk-of-poverty rate <sup>15</sup>												
- After social transfers (60% threshold)	19	16	21	15	20.1	15	20.9	17	19.7	16	18.5	16
- Before social transfers (income including pensions)	30	24	30	24	31.3	25	32.9	26	32.3	26	32.9	26
- Before social transfers (income excluding pensions)	37	40	36	40	37.0	39	39.1	41	39.6	42	40.3	43
- 40% threshold	4	5	5	5	5.8	5	4.8	5	4.6	5	3.4	5
- 50% threshold	11	9	15	9	12.3	9	11.4	10	11.2	9	9.1	10
- 70% threshold	28	23	29	23	27.0	24	29.0	24	28.1	24	27.4	24
At-risk-of poverty threshold (euro)												
One adult household	6,656	7,242	8,553	8,163	10,143	9,263	10,763	8,882	11,227	9,227	11,808	9,256
2 adults – 2 children household	13,978	15,207	17,961	17,142	21,300	19,452	22,602	18,652	23,576	19,376	24,796	19,438
Relative median at risk of poverty gap (%)	21	22	24	22	22.4	NA	19.6	NA	20.3	22	16.4	22
Income distribution (income quintile share ratio)	4.9	4.6	4.5	4.5	5.0	4.6	5.0	4.8	5.0	4.8	4.9	4.7
Gini coefficient (%)	32	29	29	29	30.8	30	31.6	30	32.0	30	31.9	29

Sources: Eurostat &amp; CSO, EU-SILC.

<sup>15</sup> Based on EU definition of median income and using modified OECD equivalence scale. Figures from Eurostat are rounded.

## Appendix 4 - List of useful websites

This is a list of some websites which are particularly useful for policy makers carrying out poverty impact assessment:

**Central Statistics Office:** [www.cso.ie](http://www.cso.ie)

Includes data on, for example, housing, education, labour market, earnings. Data from the census and the household budget survey as well as EU-SILC results are also available on this website.

**Combat Poverty Agency:** [www.cpa.ie](http://www.cpa.ie)

Includes information on poverty in Ireland, a variety of CPA publications, details of the CPA's work, a search facility of its library catalogue.

**Economic and Social Research Institute:** [www.esri.ie](http://www.esri.ie)

Includes details of its current research projects, publication lists (including summaries of each publication) and

**Equality Authority:** [www.equality.ie](http://www.equality.ie)

Equality Authority publications such as "*Disability and Social Inclusion in Ireland*" and "*Disability and Labour Market Participation*" are available on this site.

**Irish Government:** [www.irlgov.ie](http://www.irlgov.ie)

Links to all government departments and state agencies.

**Office for Social Inclusion:** [www.socialinclusion.ie](http://www.socialinclusion.ie)

Includes information on the work of the OSI, poverty information and various publications. These guidelines for Poverty Impact Assessment will also be available on the site and will be updated from time to time, in particular worked examples will be added as they become available.

**National Economic and Social Council:** [www.nesc.ie](http://www.nesc.ie)

NESC publications such as "*Housing in Ireland: Performance and Policy*" and the "*Review of the Poverty Proofing Process*" are available on this website.

**National Economic and Social Forum:** [www.nesf.ie](http://www.nesf.ie)

NESF publications such as "*Labour Market Issues for Older Workers*" and "*Equity of Access to Hospital Care*" are available on this site.

**National Statistics Board:** [www.nsb.ie](http://www.nsb.ie)

NSB publications such as "*Best Practice Guidelines for the Development and Implementation of formal Data/Statistics Strategies in Government Departments*"; and "*Statistical Potential of Administrative Records An Examination of Data Holdings in Six Government Departments Working Report*" are available on this site.

## Appendix 5 - Worked Examples of Poverty Impact Assessment

### Example 1 - Poverty Impact Assessment of the main elements of the Social Welfare Package in Budget 2006

The example below was developed by the OSI to show how the new guidelines for Poverty Impact Assessment can be used in practice. It draws on an actual poverty proofing exercise of the Social Welfare elements of the 2006 Budget which was performed using the earlier poverty proofing guidelines. For explanation purposes the information provided in this example is in some cases more than would be provided in an actual PIA. Also, again for explanation purposes, text is duplicated in some areas. The PIA was performing using an earlier draft of the new guidelines.

#### **Background to proposal** (*Background will not normally be required in a PIA*)

The 2006 Social Welfare budget package is based on objectives agreed in a number of documents including the *Programme for Government*, the social partnership agreement *Sustaining Progress*, the revised National Anti-Poverty Strategy (NAPS) and the National Action Plan against poverty and social exclusion 2003-2005 (NAP/inclusion). The overall aims of the package include:

- To increase or maintain the value of all rates of payment in real terms; to give additional increases to the lowest payment rates and to carers allowance;
- To continue to increase pensions in line with the Programme for Government commitment to increase the state pension to €200 by 2007;
- To make progress towards the NAPS target of €150 per week in 2002 terms for the lowest rates;
- To maintain the real value of Qualified Adult Allowance rates of payment and to ensure that they do not fall as a proportion of the associated personal rate;
- To tackle fuel poverty by providing increases in the rate of Fuel Allowance;
- To provide real increases in income support for all families, but especially for those most at risk of poverty;
- To ensure that the return from low-income employment remains positive through improvements in the Family Income Supplement income limits and disregards in other schemes.

The **main elements** of the Budget package, which are considered in the poverty impact assessment, are as follows:

- **Increases in Weekly Payments** - personal and qualified adult allowance rates of social welfare payments:
  - Personal weekly rates of Carers Allowance increased by €30.20 for recipients aged 66 and over and €26.40 if under 66; €16.00 increase for non-contributory pensioners aged 66 and over and €14.00 increase for

contributory pensioners aged 66 and over; €17.00 increase for all other recipients under age 66, with proportionate increases for persons receiving reduced rates of payment.

- Qualified Adult Allowance increases of €9.30 per week for Old Age Contributory Pension and Retirement Pension, €12.10 for Invalidity Pension, where qualified adult is under 66; increases of €10.80 per week for Old Age Contributory Pension, Retirement Pension and Invalidity Pension, where qualified adult is over 66; €10.60 increase for Old Age non-contributory Pension qualified adults regardless of age, and Blind Person Pension qualified adults over age 66; increases of €1.30 for all other qualified adults, with proportionate increases for qualified adults where a reduced rate of payment is being made.
- **Increases in monthly Child Benefit (CB) rates**, with increase of €8.40 for first and second child and €7.70 for subsequent children.
- **Increase in Family Income Supplement (FIS) earnings thresholds**, by amounts ranging from €19 to €282 per week depending on family size.

**STAGE 1 - Screening** – This will inform the policy maker as to whether or not it is necessary to carry out a full poverty impact assessment.

### Screening Tool

Is the policy, programme or proposal significant in terms of:	YES	NO	POSSIBLY
Overall National/Departmental Policy	Y		
The level and/or proportion of expenditure involved <i>(Explanation:</i> <ul style="list-style-type: none"> <li>• Increase over 2005 social welfare expenditure amount of €1.12 billion;</li> </ul> <i>Total 2006 social welfare expenditure will be €13.5 billion.)</i>	Y		
The change it will bring about in an existing policy or procedure <i>(Explanation:</i> <ul style="list-style-type: none"> <li>• Introduction of a single scheme for all non-contributory recipients over age 66;</li> <li>• Significant increase in means disregard for non-contributory pensions;</li> <li>• New FIS income thresholds will concentrate additional resources on larger families.)</li></ul>	Y		
Its relevance to those groups who have been identified as being most vulnerable to poverty or social exclusion.  Examples of vulnerable groups <ul style="list-style-type: none"> <li>• Women</li> <li>• Members of the travelling community</li> <li>• Prisoners and ex-prisoners</li> <li>• People experiencing rural disadvantage</li> <li>• People experiencing urban poverty</li> <li>• Migrants</li> <li>• Ethnic minorities</li> <li>• Other vulnerable group ... specify</li> </ul> <i>^ Package will impact on members of each of these groups who are receiving social welfare payments or are in families with low-income employment.</i>	Y^  Y Y Y Y  Y		

Also need to consider potential impacts on Inequalities which may lead to poverty.			
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\*It should be noted that the extent and composition of these groups may change over time and so the focus of poverty impact assessment may change over the life time of the next round of the NAP/inclusion process.

If the answer is **NO** in **all** cases then it is not necessary to carry out a full poverty impact assessment. In that case the summary sheet should be completed and returned to the Departmental social inclusion liaison officer, or directly to the Office for Social Inclusion if there is no liaison officer.

If the answer is **YES** or **POSSIBLY** to any of the above a full poverty impact assessment should be carried out following the steps outlined in Stage 2.

<b>STAGE 2</b>	<b>Full Poverty Impact Assessment</b>
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**Step 1: Consultation**

*A pre-Budget consultation process was undertaken, whereby organisations and individuals were invited to make written submissions regarding the content of the social welfare Budget package. In addition the Minister for Social and Family Affairs hosted a pre-Budget Forum meeting on 17 October 2005, where some 30 organisations, including voluntary and community groups in the social welfare area, were invited to give their views on the forthcoming Budget. On the afternoon of the Budget itself on 7 December a large number of organisations will attend a post-Budget briefing to be hosted by the Department of Social and Family Affairs. Given the nature of this proposal, consideration of the likely impacts on poverty of the different elements of the Budget package formed an inherent part of the consultation process.*

**Step 2: Define Policy Aims and Target Groups****2.1 What is the primary objective of this policy / programme / expenditure proposal?*****Weekly Payments element:***

- *To increase or maintain the value of all payment rates in real terms, providing additional increases to persons on lowest rates, to recipients of carers allowance and to non-contributory pensioners, and to ensure that the QAA rates of payment do not fall as a proportion of the personal rate;*
- *To continue to increase pensions in line with the Programme for Government commitment to increase the state pension to €200 by 2007;*
- *To make progress towards the NAPS target of €150 per week in 2002 terms for the lowest rates*
- *To make significant improvements to means test thresholds, thereby increasing employment incentives.*

***Child Benefit increases:***

- *To provide real increases in income support for all families, but especially for those most at risk of poverty, in such a way that it is not dependent on the parents' income or labour market status.*

***Increase in FIS earnings thresholds:***

- *To ensure that the return from low-income employment for those with families remains positive, through improvements in FIS income limits;*
- *To give proportionately greater increases to families with more children, thereby tackling the higher susceptibility to poverty of such families.*

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

### **Weekly payments element:**

- *Groups such as the unemployed, people with disabilities and the elderly form particular target groups for the proposal, with all recognised in the NAP/inclusion as being particularly vulnerable to poverty. Proposal also targets carers and qualified adults, usually women, in welfare-dependent households.*

### **Child Benefit increases:**

- *Given that the risk of poverty is higher for children than for adults, Child Benefit, which is paid specifically in respect of children, is an effective way of reaching this target group.*

### **Increase in FIS earnings thresholds:**

- *Low-income families with children will benefit from increase in earnings thresholds, with proportionately greater increases for larger families.*

## 2.3 What are the differences within the target group/between the target groups which might lead to them benefiting from the policy/programme in different ways and how could these be addressed?

- *All recipients of social welfare payments will benefit from Budget increases. Larger families, who are more at risk of poverty, will benefit proportionately more;*
- *Non-contributory pensioners will receive higher increases than contributory pensioners, recognising that non contributory pensioners generally have less private means;*
- *Significant payment increases made to carers in recognition of the role they play;*
- *Increase in upper income limit for one parent family payment is designed to lead to increased labour force participation rates.*



**Step 3: Identify Available Data and Research**

*Primary quantitative data used during this assessment was available in the Department's data holdings on social welfare claimants, dependants and beneficiaries.*

*The ESRI's SWITCH model was used to measure the impact of the proposed Budget changes on actual household incomes. This analysis concluded the following:*

- *The Budget changes will result in a net transfer of disposable income to the household sector of €998.1 million, an average increase for all households of 1.4%;*
- *The increase is highly progressive in terms of its distributional impact: 52.5% of the change in disposable income resulting from the Budget proposals will go to those in the bottom three deciles, while 81.0% will go to the bottom half of the income distribution;*
- *The proposals will result in a fall in the numbers below each of the 40%, 50% and 60% relative income poverty lines (median equivalised disposable income) by 3.0, 3.3 and 1.5 percentage points respectively. (Actual changes in both the 'at risk of poverty' and 'consistent poverty' rates during 2006 will not be known until the results of the EU-SILC survey for that year are available, likely to be in October 2007 approximately).*

*It is calculated that changes in the FIS earnings thresholds mean that approximately 5,000 additional families will become eligible for a FIS payment.*

*Elements of the Budget package are linked to explicit targets contained in the NAP/inclusion, i.e., targets relating to the lowest levels of social welfare payment, to pension levels and to levels of child income support. Indicators to measure progress against these targets are the relevant social welfare rates.*

**Step 4: Assess Impacts and Consider Alternatives****4.1 What type of impact on poverty (either in terms of numbers in poverty or level of poverty) would the proposal have, in particular for each of the vulnerable groups listed in the table?**

Vulnerable Group (as identified in the current NAP/inclusion)	Likely impact of the programme/project in terms of poverty		
	None See Q.4.2	Positive <sup>^</sup> See Q.4.3	Negative See Q.4.4
<b>Life cycle groups</b>			
Children and Young People		*	
People of working age		*	
Older people		*	
People with disabilities		*	
<b>Other vulnerable groups</b>			
Women		*	
Members of Travelling community		*	
Prisoners and ex-prisoners		*	
People experiencing rural disadvantage		*	
People experiencing urban poverty		*	
Migrants		*	
Ethnic minorities		*	
Others: (please specify)			
<i>Carers</i>		*	
<i>Families with children in low-income employment</i>		*	

<sup>^</sup> Package will impact on members of each of these groups who are receiving social welfare payments or are in families with low-income employment.

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

*Not Applicable*

**4.3 If the proposal would have a positive effect would it help to prevent people falling into poverty; reduce the level (in terms of numbers and depth) of poverty and/or ameliorate the effects of poverty?**

*Explain how these positive effects are achieved and consider how the position could be improved upon.*

- *Some 955,000 claimants and 470,000 dependants will benefit from increases in weekly social welfare rates. Child benefit increases will benefit some 540,000 families with 1,088,000 children.*
- *SWITCH model analysis of the proposals show that they will result in a fall in the numbers below each of the 40%, 50% and 60% relative income poverty lines (median equivalised disposable income) by 3.0, 3.3 and 1.5 percentage points respectively.*
- *The Budget increase is highly progressive in terms of its distributional impact: 52.5% of the change in disposable income resulting from the Budget proposals will go to those in the bottom three deciles, while 81.0% will go to the bottom half of the income distribution;*
- *The budget will increase social welfare payments by almost 4 times the expected rate of inflation. The increases, €17 in the lower rates of payment and €14 in higher rates, will also be greater than the expected increase in gross average industrial earnings. In real terms, therefore, social welfare recipients will see an improvement in their relative position in terms of income.*
- *The increases in the FIS earnings thresholds are designed to maintain the incentive to remain in employment in circumstances where an employee might be only marginally better off than if he or she were claiming other social welfare payments. Preserving this incentive is important as it is acknowledged that having a job is the best route out of poverty and social exclusion. The changes will make over 5,000 additional families eligible for FIS and, depending on family size, weekly increases for existing recipients will range from €11 to €169, with proportionately greater increases for larger families.*
- *The Budget package contains a range of other employment incentive and activation measures designed to move people from full dependence on social welfare payments and into work. These include: tapered withdrawal rates for disability allowance and blind pension; reductions in the qualifying periods for access to the back to work allowance; tapered withdrawal of earnings for persons receiving rent and mortgage interest supplement; and an increase in the spouse's income disregard for entitlement to qualified adult allowance.*
- *The increases in CB payments and in the FIS earnings thresholds form part of a wider package to combat child poverty, it being recognised that children who grow up in disadvantaged households are more likely to do poorly at school, to struggle to find a job, and to be unemployed, sick or disabled when they become adults, precipitating an inter-generational cycle of disadvantage and deprivation. The Budget package, which also includes improvements in the Back to School Clothing and Footwear Allowance and the School Meals programme, aims to help break this cycle.*

- *The Budget announced no changes in the rates of Child Dependant Allowance (CDA) payments, as the National Economic and Social Council is currently working on proposals for merging FIS and CDAs into a second tier child income support payment, which would avoid the employment disincentive inherent in CDA. The issue of the second tier payment will be further progressed during 2006.*

**4.4 If the proposal would have a negative effect (e.g., by increasing the numbers in poverty or the level of poverty experienced) what options could be considered to ameliorate this effect?**

*Not applicable*

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

*If it does contribute to the achievement of the targets, explain how this is the case and consider whether the position can be improved further. If it does not, consider whether anything can be done to reverse the position. In this regard, consideration should be given as to whether the programme is specifically aimed at groups experiencing poverty or at risk of poverty, i.e., whether it is intended as an anti-poverty measure. The NAP/inclusion targets are listed in the NAP/inclusion summary table at Appendix 1.*

- *The Budget elements covered by this assessment are intended as an anti-poverty measure. The levels of increase in weekly payment amounts bring closer two specific targets in the NAP/inclusion, viz. (i) To achieve a rate of €150 per week in 2002 terms for the lowest rates of social welfare by 2007, and (ii) Social welfare pensions to be improved to reach a target level of €200 by 2007. Increases in CB rates mean that the NAP/inclusion target for CB and CDAs to be set at 33% - 35% of the minimum adult social welfare payment by 2007 is still on course.*
- *The Budget increases in real levels of social welfare payments are considered likely to result in a further reduction in the numbers who are consistently poor (which fell from 8.8% of the population in 2003 to 6.8% in 2004). (However, for methodological reasons, it will not be possible to precisely determine progress against the existing NAP/inclusion 'consistent poverty' target, of reducing the number of consistently poor to 2% by 2007 or of eliminating it completely. Targets to be included in the new NAP/inclusion 2006-2008 will be based on figures from the new EU-SILC survey).*
- *The child income support elements of the Budget, by improving the situation of children in disadvantaged households, are also considered to have a longer-term positive impact on other targets in the NAP/inclusion, including those relating to education (children with serious literacy difficulties; early school-leavers) and health (premature mortality rates).*
- *The back to work and back to education scheme changes introduced in the Budget should result in an increase in participation in education and employment by social welfare recipients, impacting positively on the employment and education targets in the NAP/inclusion.*

#### 4.6 **Would the programme/policy/proposal address the inequalities which may lead to poverty?**

*The relationship between poverty and inequality is quite a complex one (see also Section 3.3). Equality legislation in Ireland recognises that inequality can occur under any of the following headings (“the nine grounds”): gender, family status, marital status, age, disability, sexual orientation, race, religion, and membership of the Traveller community.*

*Consideration should be given to whether the programme or policy has a particular relevance to people in any of these categories and whether there is a need for the programme/policy to focus on people in any of the categories in its design or delivery.*

- *The increase from €88.88 to €100 in the income threshold for entitlement to full Qualified Adult Allowance will benefit those qualified adults, who are mainly women, in welfare-dependent households. Women will also be the main beneficiaries of the significant increase in the rate of carer’s allowance.*
- *The increases in CB rates will benefit families with children, who have greater income needs than single people or couples without children. The increases in the FIS earnings thresholds will also benefit families with children, with larger families benefiting proportionately more.*
- *The significant increase in the weekly payment rates for carers is part of a package designed to provide a comprehensive and sustainable system of community services and supports for people who need care.*
- *The introduction of tapered withdrawal rates for disability allowance and blind pension will provide a greater incentive for disabled persons to engage in rehabilitative employment or self-employment.*

**Step 5: Make Decision and Arrange Monitoring****5.1 Will this proposal be adopted?**

*When the impacts of the proposed options have been assessed and alternatives considered to counteract any negative effects have been identified a decision can then be made as to whether or not to proceed with the policy or programme.*

*Yes. Increases in weekly payment rates and FIS earnings thresholds will take place from January 2006. Increases in child benefit will take place from April 2006. Improvements in means disregards will take place from September 2006.*

**5.2 If the proposal is to be adopted, how will its impact on poverty be monitored?**

*A system should be devised and implemented in order to monitor whether (and to what extent) the expected impact is actually occurring. The indicators against which progress will be monitored should be specified here. This section should also make clear which office/unit will be responsible for the monitoring. The frequency with which the indicators will be monitored should also be noted.*

*If a programme or policy is being put in place to counteract any negative impacts resulting from the original programme it should also be monitored and details of how that will be undertaken should also be included here.*

- *Monitoring of progress against expected impacts will be reported upon by the Budget & Estimates section of the Department's Planning Unit. Monitoring of take-up of FIS as a result of the increase in the earnings thresholds will be reported upon by the Child Income Support section of the Planning Unit.*
- *Monitoring of the impacts of the package on poverty (using indicators including 'at risk of poverty', consistent poverty, persistent poverty and the 'poverty gap'), and on progress towards achievement of the NAP/inclusion targets, will be performed by the Budget & Estimates section, in conjunction with the Office for Social Inclusion, by reference to the results of the annual EU-SILC survey and to other statistical surveys.*

**Step 6: Publish Results**

In order for the process of poverty impact assessment to be transparent it is important that not just the results of the assessment but also details as to how decisions were reached (and the data on which they were based) are made available where this is possible, and subject to requirements such as those relating to cabinet confidentiality.

If the poverty impact assessment relates to a published report such as an expenditure review then the analysis should be published as part of that document. Alternatively, the information could be made available on the organisation's website.

*Include here on reporting of results*

**Step 7: Return Summary Sheet to Social Inclusion Liaison Officer**

When these steps have been completed the summary sheet below should be completed and returned to the department's social inclusion liaison officer who will in turn forward a copy to the Office for Social Inclusion (OSI). If there is no liaison officer a copy should be sent direct to the OSI.

The OSI will use these summary sheets for statistical purposes and random selections will be made periodically in order to monitor progress and identify examples of best practice. The OSI will provide updates regarding poverty impact assessment to the Social Inclusion Consultative Group which is made up of representatives of the social partners.

**POVERTY IMPACT ASSESSMENT - SUMMARY SHEET**

Where a policy has been screened and it has been decided that it is not necessary to carry out a full poverty impact assessment, or where a full poverty impact assessment has been carried out, this summary sheet should be completed and returned to your department's social inclusion liaison officer. If there is no liaison officer a copy of this sheet should be sent direct to the Office for Social Inclusion.

**Department Name:** *Social & Family Affairs*

**Programme/Policy Title:** *Social Welfare Budget Package 2006*

**Date of implementation:** *Budget announced 7 December 2005*

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

- *Increases in all Social Welfare weekly payments (implementation January 2006), in monthly Child Benefit payments (implementation April 2006) and in earnings thresholds for Family Income Supplement (implementation January 2006).*
- *Target group – recipients of social welfare payments, and low-income families eligible for FIS as a result of changes in earnings thresholds.*

**Date poverty impact assessment was carried out:** *Full poverty impact assessment completed 5 December 2005*

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

**Brief summary of results:** (If a full poverty impact assessment was not carried out, please refer to the results of the screening stage.)

- *By providing increases in Social Welfare payment rates well in excess of inflation the Budget package will have positive impacts on poverty alleviation for recipients and move towards achievement of the key income maintenance targets in the National Action Plan against poverty and social exclusion. The package will be highly progressive in terms of its redistributive impact.*
- *It is expected that the measures in relation to children and families on low income will positively impact on child poverty and maintain the incentive to remain in employment.*

**If these results were published please specify where they are available. If they were not published, please explain why. Specify here.**



**Contact Information:**

**Name:** *Name*  
**Address:** *Address*  
**Telephone Number** *Telephone*      **Email address:** *Email*

**Signed:** *Signed*      **Date:** *6 December 2005*

**Note to Social Inclusion Liaison Officer: Please keep the original summary sheet and send a copy to the Office for Social Inclusion, Floor 5, AMD, Store Street, Dublin 1**

## Example 2 – Poverty Impact Assessment of the One Parent Family Payment Review

### Background to proposal

**STAGE 1 Screening** – This will inform the policy maker as to whether or not it is necessary to carry out a full poverty impact assessment.

#### Screening Tool

Is the policy, programme or proposal significant in terms of:	YES	NO	POSSIBLY
Overall National/Departmental Policy	Y		
The level of expenditure involved	Y		
The change it will bring about in an existing policy or procedure (specify)	Y		
<p>Its relevance to some or all of the life cycle or other vulnerable groups</p> <p><b>Life cycle groups</b></p> <ul style="list-style-type: none"> <li>• Children and younger people</li> <li>• People of working age</li> <li>• Older people</li> <li>• People with disabilities</li> </ul> <p><b>Examples of vulnerable groups</b></p> <ul style="list-style-type: none"> <li>• Women</li> <li>• Members of the travelling community</li> <li>• Prisoners and ex-prisoners</li> <li>• People experiencing rural disadvantage</li> <li>• People experiencing urban poverty</li> <li>• Migrants</li> <li>• Ethnic minorities</li> <li>• Other vulnerable group (this will impact on Lone Parents and other parents with a low income within all the above categories because of their status as parents rather than as a member of a vulnerable group)</li> </ul> <p>Also need to consider potential impacts on inequalities which may lead to poverty.</p>	Y	N N N	
	Y	N N N N	
	Y		

\*It should be noted that the extent and composition of these groups may change over time and so the focus of poverty impact assessment may change over the lifetime of the next round of the NAP/inclusion process.

If the answer is **NO** in **all** cases then it is not necessary to carry out a full poverty impact assessment. In that case the summary sheet (p.26) should be completed and returned to the Departmental social inclusion liaison officer, or directly to the Office for Social Inclusion if there is no liaison officer.

If the answer is **YES** or **POSSIBLY** to **any** of the above a full poverty impact assessment should be carried out following the steps outlined in Stage 2.

## **STAGE 2                      Full Poverty Impact Assessment**

### **1.     Consultation**

Consultation was carried out by way of invited submission. Thirty-nine organisations were contacted, including organisations participating in social partnership, lone parent organisations, groups that made submissions to the family strategy and other relevant organisations. Submissions were received from thirteen of these. A summary of the main issues raised in the submissions are outlined in Appendix 3, together with some of the key recommendations made.

### **2.     Policy Aims and Target Groups**

#### **2.1    What is the Primary objective of this policy proposal ?**

The reform of social welfare income support for lone parents, proposed by the Review group aims to put in place a model which:

- Prevents long term dependence on social welfare income support and facilitates financial independence.
- Facilitates participation in employment /education and training in a positive and systematic way.
- Removes poverty traps from the system of income support,
- Provides income support at a level sufficient to enable full participation in society.
- Recognises parental choice with regard to care of young children but with the expectation that parents will not remain outside of the labour force indefinitely.
- Changes the expectations surrounding receipt of OFP, introducing an expectation of participation but with supports provided in this regard.
- Is neutral in terms of influencing people's basic choices regarding choice of living arrangements.
- Ensures consistency of treatment across means tested social welfare schemes.

## 2.2 Who are the target groups and how would the proposal reach those groups ?

The target group of the proposal are all low income families with children, including those parenting alone. Within this group the proposed changes would impact on:

- current and new recipients of the One-Parent Family Payment,
- qualified adults in the social assistance system
- widows under age 66 years

The proposal implies the ending of the contingency of lone parenthood within the social welfare system and the introduction of a new Parental Allowance (PA) payable to all low income families (subject to a household means test). This necessarily implies the ending of the 'qualified adult payment' within social assistance, with those eligible moving to the new PA scheme and others applying for appropriate payments.

## 2.3 What are the differences within the target group/ between the target groups which might lead to them benefiting from the policy in different ways and how could these be addressed?

Part of the rationale from moving away from a single contingency of lone parenthood to a more general and inclusive PA is due to the fact that the current OFP payment does not recognise the diversity of those in receipt of the payment, in terms of age, route to becoming a lone parent, education and employment background and experience. This in turn means that supports are aimed at the contingency, rather than the diversity of needs of those within it. Under the proposed PA, those in receipt of payment would be engaged with in an active and systematic manner by the Department of Social and Family Affairs and other relevant departments and agencies e.g. FAS. Such engagement aims to ensure that the needs of those concerned are identified and appropriate supports are offered with the aim of facilitating the person to move into education, training and / or employment as appropriate.

In putting forward the proposal the review group acknowledges that its implementation is predicated on the availability and accessibility of adequate services/provisions including childcare and education and training resources. It is only in this scenario that the target groups can receive the full benefit of the proposal in terms of the objectives outlined. Co-ordination between departments and agencies will be important in this regard.

## 3. Consideration of data and research

The Review takes into account and builds on the conclusions of the Review of the One-Parent Family Payment 2000, carried out by the Department of Social and Family Affairs. It also takes into account a range of reports and studies relating to child poverty and specifically to lone parents. These include: *Babies and Bosses*; *Reconciling Work and Family Life* (OECD 2003), *Jobs, Jobs, Jobs: Creating more Employment in Europe*; Report of the Employment Taskforce (Kok W,

2003), *Child Poverty in Ireland* (Economic and Social Research Institute, 2000) and *Lone Parents* (National Economic and Social Forum, 2001). At a broader level consideration is given to the proposals made by the National Women's Council with regard to the social welfare system (A Womans Model for Social Welfare Reform) (2003) and by the National Economic and Social Council (NESCC) in their recently published report entitled *The Developmental Welfare State* (2005).

Primary quantitative data required in the analysis was obtained from the Department of Social and Family Affairs, the Revenue Commissioners and the Central Statistics Office. This was supplemented with and informed by discussions within the working group and with key personnel in the Department of Social and Family Affairs and by the submissions made by various lone parent representative organisations and other relevant groups.

#### **4. Assessment of impacts and consideration of alternatives**

##### **4.1 What type of impact on poverty (either in terms of numbers in poverty or level of poverty) would the proposal have for each of the vulnerable groups listed in the table?**

<b>Vulnerable group</b>	<b>Likely impact that the programme will have in terms of poverty</b>		
	<i>None</i>	<i>Positive</i>	<i>Negative</i>
<b>Life cycle groups</b>			
Children and Young People		✓	
People of working age		✓	
Older people	✓		
People with disabilities	✓		
<b>Other Vulnerable groups</b>			
Women		✓	
Children and young people		✓	
Older people	✓		
People with disabilities	✓		
Members of the Travelling community	✓		
Prisoners and ex-prisoners	✓		
People experiencing rural disadvantage	✓		

People experiencing urban poverty	✓		
Migrants	✓		
Ethnic minorities	✓		
Other: Lone parents/low income parents		✓	

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

**Not Applicable**

**4.3 If the proposals would have a positive effect would it help to prevent people from falling into poverty: reduce the level of poverty and/or ameliorate the effects of poverty?**

Lone parents have been identified in the National Action Plan against Poverty and Social Inclusion (NAP/inclusion) to be one of the groups at greatest risk of poverty. 45 per cent of one-parent families live in consistent poverty in comparison with 11 per cent of the population overall (EU-SILC 2003). 42 per cent of one-parent families are at risk of poverty in comparison with 23 per cent of the overall population. Children in lone parent and larger families have been identified in the NAP/inclusion to be at greatest risk of poverty.

In terms of the characteristics of the households of children who are experiencing poverty, NESC have indicated that parental employment rather than household type is the single most important factor associated with a high risk of child poverty (2005):

Almost 60 per cent of the households in which children experienced persistent poverty were reliant on social welfare for more than 75 per cent of their total income. Over half of children where the household reference person was unemployed experienced poverty and 46 per cent where the reference person was of working age but outside the labour force, having an unemployed man and woman in the house constituted the highest risk of all of experiencing persistent poverty.

It is notable that children in lone parent households where the parent was employed escaped persistent poverty altogether, while with regard to consistent poverty parental employment rather than family type was the single most important factor associated with a high risk of child poverty in 2000. For example, children of couples neither of whom were working ran a poverty risk four times as high as that of children of lone parents in work.

These findings clearly indicate a need to develop policy responses to child poverty in a way which both encourages parents to cross from non-employment to work, and which provides in-work supports to parents with low earnings and improves the educational and skill levels of lone parents to ensure that they do not become trapped in low paid employment.

The proposals being put forward in this Review of OFP aims to achieve both a reduction in poverty levels for lone parent families and their children and prevention of future poverty by:

The increase in household income which will accompany the payment of PA (approx. €50 for couple households) and the increase in level of CDA will have a positive impact on levels of child income poverty.

The increase in the income disregard (to €400) accompanying PA (as compared to the current upper limit of €298 under OFP) will also remove the poverty trap which currently exists and encourage increased earnings.

From a longer term perspective, ending the long term duration of the current OFP and providing supports to encourage people back into employment / education and training will increase the family income, lessen dependence on passive income support and facilitating people to become financially independent.

For qualified adults in social assistance, those with children under 7 years will move to PA, while those with no children under 7 years, will be able to apply for Unemployment Assistance and the supports which accompany this payment.

In the longer term, the increased activation and labour force participation of women in particular will ensure that social insurance records are established by the individuals concerned, in turn building pension entitlements for old age.

Overall the proposal is to support parents in caring for young children while facilitating and providing supports for them to move into the labour force after a period of time, thus improving their financial situation and facilitating financial independence.

**4.4 If the proposal would have a negative effect (e.g. by increasing the numbers in poverty or the level of poverty experienced) what options could be considered to ameliorate this effect?**

**Not applicable**

**4.5 Would the proposal contribute to the achievement of the NAP/Inclusion targets?**

It is expected that the proposal would, in the longer term, and if accompanied by appropriate supports lead to:

- a reduction in the numbers of adults, particularly women, who are consistently poor,
- a reduction in the numbers of children who are consistently poor,
- a reduction in the numbers of people living in areas of urban disadvantage who are consistently poor.

#### **4.6 Would the proposal address the inequalities which may lead to poverty ?**

(Equality legislation in Ireland recognises that inequality can occur under any of ‘nine grounds’; gender, family status, marital status, age, disability, sexual orientation, race religion and membership of the Traveller community).

The proposal being made has a particular relevance with regard to gender and family status. This is in the context of 97 per cent of OFP recipients being women and the majority of qualified adults being women.

Numerous reports have described the Irish welfare system as displaying aspects of the ‘male breadwinner’ model of welfare (Curry 2003, Department of Social and Family Affairs, 1999, National Women’s Council of Ireland, 2003). Welfare systems within this model are based on the tradition of the male as family breadwinner, and the female as homemaker or carer. Within this, women have had derived rights through their husbands social insurance records, with payments to women defined in relation to their husbands.

Features of the Irish welfare model which highlight its male breadwinner focus are; equivalence rates<sup>16</sup>, qualified adults payments, limitation<sup>17</sup>.

The effect of these is:

- that while ostensibly gender neutral, they have a greater negative impact on women than men, particularly with regard to their economic independence and incentives to activation.

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<sup>16</sup> The income support system ‘enables’ adult claimants to have financial responsibility for ‘dependents’ both adult and children. A claimant is eligible to claim for a Qualified Adult Allowance (QAA) if that adult has no social welfare payment in their own right and has means of less than €88.88 per week. The QA rate is generally around 0.7 (equivalence rate) of the main claimant rate of payment, the rationale for which is presented as the economies of scale of a couple living together.

<sup>17</sup> In a couple household, where both adults have an entitlement to a payment in their own right, based on a household means test, the operation of the limitation rule means that the amount paid to the couple is limited to a half of the amount payable where only one partner claimed a personal rate and an adult dependent allowance e.g. where one of a couple claims Unemployment Assistance, a personal rate of €148.80 plus an increase of €98.70 (QAA rate) in respect of the claimants partner may be payable i.e. €247.50. However, where both of a couple claim the payment and have an entitlement, they do not receive €148.80 each, but half €247.50 i.e. €123.75. The rule has resulted in a greater number of women being classified as qualified adults and not declaring their eligibility for a social welfare payment, as there is no financial incentive to do so. This, in turn affects women’s eligibility to participate in a range of Live Register linked programmes and supports.



- they lead to a loss of income to the OFP recipient if they decide to marry or cohabit and a disincentive to family formation or declaration of same.

In terms of its gender impact, the proposal for reform moves the system away from the male breadwinner model. It ends the concept of qualified adult within the system of social assistance, and enables people to apply for payment in their own right and to receive the supports attached to that payment.

In terms of family status, the proposal ends the contingency of lone parenthood in the social welfare system. In doing so it recognises the changes which have taken place in Irish society in terms of family formation. Instead, a payment will be made to parents with a low income who care for young children: a parent will receive payment in their own right. This proposal thus removes any stigma associated with lone parenthood and reflects the changing nature of family formation in Ireland.

By lifting the limitation on payments in couple households where one is in receipt of a PA payment and the other is in receipt of another means tested social welfare payment – it removes some of the disincentives for lone parents to form stable relationships, and facilitates a more neutral social welfare system with regard to people's choices regarding general life style or choice of living arrangements.

## **5. Make Decision and Arrange Monitoring**

### **5.1 Will this proposal be adopted?**

This review was published as a discussion document. A consultation forum is planned for 27<sup>th</sup> April 2006. The final decision on the reports recommendations will be a matter for government.

### **5.2 If the proposal is to be adopted, how will its impact on poverty be monitored?**

Data from the CSO EU-SILC will provide statistics on the experience of poverty among some of the groups concerned.

More specific indicators have not yet been agreed upon to monitor the impact of the reform. The intention is that the proposal be published for discussion and observation. Indicators would be required relating to poverty and activation impacts if the proposal was to be implemented.

The proposal outlined relates not only to income support arrangements for low income families, but to a range of supports to be offered in an integrated and positive manner. For this reason, formulation of agreed upon indicators and their monitoring will require consultation and co-ordination with stakeholders including other departments and agencies.

It is important that any such indicators are both qualitative and quantitative in nature. If the focus is purely on quantitative objectives, the danger is that the focus is then on through-put of clients, with the problem of ‘churning’ of people between work and welfare, rather than responding to need. For some income support recipients, significant barriers may exist to participating in education/training or employment, with supports required over a long term period. Also, the aim of the proposed scheme is to facilitate those concerned to access higher quality, well paid employment.

**6. Publish Results**

The review was published and included the Poverty Impact Assessment in an appendix.

**7. Return summary sheet to Social Inclusion Liaison Officer**

Sent to OSI

**POVERTY IMPACT ASSESSMENT - SUMMARY SHEET**

Where a policy has been screened and it has been decided that it is not necessary to carry out a full poverty impact assessment, or where a full poverty impact assessment has been carried out, this summary sheet should be completed and returned to your department's social inclusion liaison officer. If there is no liaison officer a copy of this sheet should be sent direct to the Office for Social Inclusion.

**Department Name: Social & family Affairs**

**Programme/Policy Title: OPF review    Date of implementation**

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

Review of current One Parent Family Payment scheme

**Date poverty impact assessment was carried out: 12 January 2006**

**Stage at which PIA was carried out (e.g. design, review): Review stage**

**Brief summary of results:**

Lone parents and children of lone parent families have been identified in the National Action Plan against Poverty and Social Inclusion to be one of the groups at greatest risk of poverty. In terms of the characteristics of the households of children who are experiencing poverty, NESC have indicated that parental employment rather than household type is the single most important factor associated with a high risk of child poverty (2005). It is in this context that the review was carried out. The proposals being put forward aim to achieve both a reduction in poverty levels for lone parent families and their children and prevention of future poverty by:

- Increasing household income for those with young children.
- Increasing the income disregard accompanying PA, which will also remove the poverty trap which currently exists and encourage increased earnings.
- Ending the long term duration of the current OFP and providing supports to encourage people back into employment / education and training thereby increasing the family income, lessen dependence on passive income support and facilitating people to become financially independent.
- In the longer term, the increased activation and labour force participation of women in particular will ensure that social insurance records are established by the individuals concerned, in turn building pension entitlements for old age.

The proposal being made has a particular relevance with regard to gender and family status. In terms of its gender impact, the proposal for reform moves the system away from the male breadwinner model. It ends the concept of qualified adult within the system of social assistance, and enables people to apply for payment in their own right and to receive the supports attached to that payment. In terms of family status, the proposal ends the contingency of lone parenthood in the social welfare system. Instead, a payment will be made to parents with a low income who care for young children. This proposal thus removes any stigma associated with lone parenthood and reflects the changing nature of family formation in Ireland. By lifting the limitation of payments in couple households where one is in receipt of a PA payment and the other in receipt of another means tested social welfare payment – it removes some of the disincentives for lone parents to form stable relationships, and facilitates a more neutral social welfare system with regard to people's choices regarding choice of living arrangements.

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

Results of PIA available as part of published review and also on departmental website, [www.welfare.ie](http://www.welfare.ie)

**Contact Information:**

**Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**Telephone Number** \_\_\_\_\_ *Email address:* \_\_\_\_\_

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Note to Social Inclusion Liaison Officer: Please keep the original summary sheet and send a copy to the Office for Social Inclusion, Floor 5, AMD, Store Street, Dublin 1**