

APPENDICES

Appendix 1 – Membership of the Steering Group

Chairman

Phil Ryan

Department of Finance – DSP Vote section

Fred Foster (Until June 2009)

John Conlon (From Sept 2009)

Pat Leahy

Joan O'Shea (From June 2010)

Department of Finance – Central Expenditure Evaluation Unit

Cormac Gilhooly (Until Dec 2009)

Ed Hearne

Department of Social Protection – CIS policy

John Bohan

Dan Harty (Until Dec 2009)

Joan Gordon (From March 2010)

Ciaran Diamond (From Feb 2010)

Department of Social Protection – VfM and Policy Review

Dearbháil Nic Giolla Mhicíl

Siobhán Doyle

Department of Social Protection – Statistics Unit

Paul Morrin

Barry Sobey

Department of Social Protection – Child Benefit administration

Seamus O'Fearghail

Department of Social Protection – Family Income Supplement administration

Eoin Power

Department of Community Equality and Gaeltacht Affairs – Social Inclusion Division

Jim Walsh (From Feb 2010)

Appendix 2 - Key milestones in evolution of Child Income Support programmes

Year	Programme	Development
1944	Child Benefit (CB)	The forerunner to the CB scheme (Children's Allowance) is introduced. Paid for third and subsequent children age under 16 years.
1952	Child Benefit (CB)	The allowance was extended to families with two or more children.
1952	Qualified Child Increases (QCIs)	The White Paper on Social Security in 1949 proposed that QCIs should be standardised for most payments with the allowance being paid in respect of the first two children. This proposal was implemented in 1952.
1960	Qualified Child Increases (QCIs)	QCI provisions were extended to include third and subsequent children.
1963	Child Benefit (CB)	The allowance was further extended to families with one or more children with payment rates varying depending on the number of children in the family.
1964	Qualified Child Increases (QCIs)	QCI provisions were extended to include pensioners' children.
1965	Child Benefit (CB)	Introduction of double the normal rate of children's allowance in respect of the survivors of multiple births, other than twins, where there were at least three survivors.
1973	Child Benefit (CB)	The upper age limit was extended from 16 to 18 and in the same year payment, which had been made to the father, was made to the mother.
1984	Family Income Supplement (FIS)	Scheme introduced to provide income support for employees on low earnings with families.

1985	Qualified Child Increases (QCIs)	The introduction of payment of the QCI in respect of a qualified child at half the normal rate in any case where the spouse/partner is not an adult dependent.
1986	Child Benefit (CB)	CB was introduced to replace Children's Allowance and Child Tax Allowances.
1986	Family Income Supplement (FIS)	Reduction in the minimum number of hours worked per week from 30 to 24.
1989	Family Income Supplement (FIS)	An increase in the multiplier from 50% to 60% of the gap between actual income and ceiling. Reduction in the number of minimum hours worked per week from 24 to 20.
1990	Back to School Clothing and Footwear Allowance (BTSCFA)	Scheme introduced and funded by DSFA, falls under remit of the community welfare division of the Health Service Executive.
1990s	Child Benefit (CB)	CB rates were targeted for expansion with the level of the benefit consistently increased culminating in an average increase of 56% in 2001. As a result CB rates were approximately four times higher in 2001 than they had been in 1990.
1990s	Qualified Child Increases (QCIs)	Entitlement extended to children aged 20 yrs in full time education.
1991	Qualified Child Increases (QCIs)	A gradual reduction in the 36 different rates of QCIs took place in line with the recommendation from the Report of The Commission on Social Welfare. By 1991 there were 3 different rates of QCIs. Entitlement extended to children aged 20 yrs in full time education.
1991	Family Income Supplement (FIS)	Extension of Supplement to families with children ages 18-21 in full time education. In the same year the scheme extended to co-habiting couples with children.
1993	Child Benefit (CB)	Special once-off grant payable on the birth of twins.

1995	Child Benefit (CB)	Extended to children aged over 18 and under 19.
1995	Qualified Child Increases (QCIs)	QCI rates frozen.
1995	Back to School Clothing and Footwear Allowance (BTSCFA)	Extended to include students up to the age of 22 years who were in full time education.
1996	Child Benefit (CB)	Special grant introduced for twins payable when children reach age 4 and 12.
1996	Qualified Child Increases (QCIs)	Introduction of Continuous Child Payment in 1996 (continuation of the payment of QCIs for a period of 13 weeks after the cessation of a primary payment) as a means of reducing disincentives to employment
1996	Family Income Supplement (FIS)	A reduction in the minimum hours required to work from 20 a week to 38 a fortnight. Qualifying employment period reduced from 6 to 3 months.
1997	Family Income Supplement (FIS)	Method of calculating amount of FIS changed from gross income to net of PRSI contributions and health and employment levies.
1998	Family Income Supplement (FIS)	Method of calculating amount of FIS changed for net income pay after tax, levies, superannuation.
1998	Child Benefit (CB)	Special once-off payments extended to include families with multiple births of 3 or more children. Rate of CB Payable for twins increased to 150% of the normal CB rate.
2000	Qualified Child Increases (QCIs)	Full QCI continued to be paid with the weekly earnings of the spouse raised from €76.00 to €171.40. Previously QCIs were only paid at half rate once the €76.00 was exceeded.
2001	Qualified Child Increases (QCIs)	Entitlement extended to children aged 22 yrs in full time education. Full QCI continued to be paid with the weekly earnings of the spouse raised from €171.40 to €184.

2006	Family Income Supplement (FIS)	Refocusing of income thresholds to include additional gains for larger families.
2006	Early Childcare Supplement (ECS)	Introduction of a tax free non means tested supplement of €1000 per annum to assist with childcare costs of children under 6 years of age.
2007	Qualified Child Increases (QCI)	QCIs were standardised into one higher rate set at €22.
2008	Early Childcare Supplement (ECS)	Supplement increased from €1000 to €1100.
2009	Child Benefit (CB)	Half rate of benefit for 18 year olds, as a first step in abolishing entitlement for 18 year olds from 2010, with transitional compensatory measures introduced for low income families.
2009	Back to School Clothing and Footwear Allowance (BTSCFA)	A special measure which was introduced in Budget 2009 was an additional allowance of €215 payable to 18 year olds in full time education for whom, the half rate CB is now applied.
2009	Early Childcare Supplement (ECS)	Entitlement reduced from 6 years to 5 years and 6 months and to 5 years.
2010	Child Benefit (CB)	As a result of the very difficult economic and fiscal position, Budget 2010 reduced the monthly rates for CB by €16.
2010	Qualified Child Increases (QCI)	QCIs increased by €3.80 in Budget 2010 to compensate families with children dependant on social welfare with the reduction in Child Benefit payments.
2010	Early Childcare Supplement (ECS)	Payment abolished with effect from 1 January and replaced with a free pre-school year of Early Childhood Care and Education for all children aged between 3 years and 6 months and 4 years and 6 months.

Appendix 3 – Consultation process

As part of the consultation process for the VfM Review on Child Income Support, the Steering Group invited written submission from interested organisations on public policy in the area of children and family policy. These organisations were identified upon the basis of issues raised in Pre-Budget Submissions that were relevant to the review. Invitations for submission were also extended to social partnership organisations. In total 18 organisations were invited to participate in the consultation process. This resulted in fifteen of the organisation providing a response. These organisations were as follows:

- Barnardos
- Children’s Rights Alliance
- Curam
- Focus Ireland
- Inclusion Ireland
- Irish Business and Employers Confederation
- Irish Society for the Prevention of Cruelty to Children
- Irish National Organisation for the Unemployed
- National Women’s Council
- One Family
- Open
- St Vincent de Paul
- Start Strong
- Treoir
- Vincentian Partnership for Social Justice.

Supplementary submissions were also received from Barnardos, the Children’s Rights Alliance and St Vincent de Paul on behalf of the End Child Poverty Coalition, which is a partnership of seven non-governmental organisations.

In formulating their submissions, organisation were asked to focus in particular on the Terms of Reference of the review. A number of submissions followed the format of the Terms of Reference and provided comprehensive submissions, which ranged from 12- 15 pages in length. Other submissions were shorter documents that were limited to the organisation’s area of expertise. One of the submissions was made jointly by 5 of the organisations.¹⁵⁷

In general stakeholders welcomed the opportunity to provide a submission and there was a recognition that it was an opportune time to review Child Income Support policy. The following table summarises the key issues raised in the submissions and links these points with the Terms of Reference and the specific evaluation questions of the review.

¹⁵⁷ The joint submission was made by the following organisations: Irish National Organisation for the Unemployed, OPEN, National Women’s Council of Ireland, One Family and Treoir.

Table – Consultations

Terms of Reference	Specific evaluation questions	
	<p>INTRODUCTORY MATERIAL</p> <p><i>Scope of Review, methods etc.</i></p>	<p>General approach that the Review should take</p> <ul style="list-style-type: none"> • The review of child income supports should be broad in scope, given the multiple objectives of such supports. It is important that CIS should not be seen in isolation, but should be seen in a broader context of income supports for adults and services for children. (Start Strong) • Review should review and clarify the objectives of child income support policy. (SVP)¹⁵⁸ • Review must assess value for money within a wider policy context. (Joint)¹⁵⁹
<p>A. Policy rationale: identify CIS policy and programme objectives, consider the validity of policy and supporting programmes on providing income support to families with children, the role of CIS in a strategy for tackling child poverty through income support</p>	<p><i>What have been the broad public policy objectives underlying programmes which deliver income support to families with children?</i></p>	<p>Principles on which CIS should be based</p> <ul style="list-style-type: none"> • Any social welfare system should be based on the following – <ul style="list-style-type: none"> ○ The principles of adequacy, equity, consistency and affordability ○ The recognition that it is in the best interest of children for both parents to be involved in their lives as much as possible and therefore there should be no financial disincentives to cohabitation, or indeed marriage ○ There is a need to challenge the culture of dependency as well as the motivation to fraud within the system because of inequities. (Treoir) • Due regard for the reduction of child poverty in the deliberations about reforms in the child income support system; any changes suggested must take a long-term view and make the best interests of children its primary consideration while looking at resource efficiency. (Barnardos)

¹⁵⁸ SVP – St Vincent De Paul.

¹⁵⁹ Joint – Irish National Organisation for the Unemployed, OPEN, National Women’s Council of Ireland, One Family and Treoir.

<p>and work, and the consistency of these objectives with government objectives and commitments and the overall mission and strategy of the DSFA.</p>		<ul style="list-style-type: none"> • Address the role and importance that supplementary supports and services play in support of children who live in or are at risk of poverty. (Barnardos) • Any reform of Child Income Support policies should have the reduction of child poverty as its primary aim. (Alliance)¹⁶⁰ • Governments are failing to make the best use of public resources to improve the key areas that affect children’s lives, particularly poverty and inequality, and as a result are spending more than they should need to on remedying preventable social problems like crime, mental ill health, family breakdown, drugs and obesity. Though it is a wider-reaching subject area, linked to all policy affecting children not just Child Income Supports, the value of early intervention and preventive policies and programmes should be considered in the context of this Review. (Alliance) • Broader more strategic approach will produce better outcomes for children and will in the long term represent better value for money. (Joint) <p>Strategies, programmes and plans identified as relevant for Review</p> <ul style="list-style-type: none"> • National Action Plan for Social Inclusion 2007 – 2016 <ul style="list-style-type: none"> ○ Consistent Poverty reduction target (SVP) (Joint) (Alliance) ○ CIS target – CB and QCIs should represent between 33% and 35% of the main adult rate. (Joint) (Alliance) • Towards 2016 <ul style="list-style-type: none"> ○ Vision for children (Joint) (Alliance) ○ CIS Target – CB and QCIs should represent between 33% and 35% of the main adult rate. (Alliance) ○ Progressing further work aimed at assisting children in families on low incomes. (Alliance) • NESI Developmental Welfare State <ul style="list-style-type: none"> ○ Radical development of services as the single most important route to improving social protection. (Joint) • DSFA Statement of Strategy 2008 – 2010: High level goal for children and families. (Alliance)
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¹⁶⁰ Alliance – Children’s Rights Alliance.

		<ul style="list-style-type: none"> • Programme for Government 2007 – 2012: Amalgamate Qualified Child Allowances and Family Income Supplements in order to develop a second tier of income support targeted at the poorest families. (Alliance) <p>CIS policies should keep in mind UN Convention</p> <ul style="list-style-type: none"> • Article 27 of the UN Convention on the rights of the child: every child has the right to “a standard of living adequate for the child’s physical, mental, spiritual, moral and social development.” (Alliance) • The development of any CIS policies should keep in mind the articles of the UN Convention on the Rights of the Child, which provides an internationally agreed framework of minimum standards necessary for the well being of the child and to which every child is entitled. (ISPCC)¹⁶¹
	<p><i>(Economic) RATIONALE FOR SPENDING</i></p> <p><i>Do these objectives remain valid?</i></p> <p><i>Are they consistent with overall government objectives and the objectives in the Statement of Strategy of the Department of Social and Family Affairs?</i></p>	<p>Universal Principle – Horizontal Equity</p> <ul style="list-style-type: none"> • Child income supports are an investment in children by the Government, involving recognition of the value that our society places on children. The fact that Child Benefit is a universal payment reflects the value of all children. Child income supports also involve recognition of the additional costs that children bring to families. (Start Strong) • The universality of the Child benefit payment should be maintained. The view that some parents don’t need this additional income misses the point that this is for children. If parents have high levels of income then this should be looked at in terms of taxation options rather than removing the child benefit payments form children. (ISPCC) • Child Benefit has a number of positive outcomes <ul style="list-style-type: none"> ○ It provides a universal basic safety net

¹⁶¹ ISPCC – Irish Society for the Prevention of Cruelty to Children.

		<ul style="list-style-type: none"> ○ It fosters solidarity between generations ○ Since it is a standard payment, it benefits those on lower incomes more significantly than those on higher incomes. ○ There is no stigma associated with accessing this payment ○ It would cost more to means test CB ... than would be saved by not having a universal scheme. ○ It provides a certain basic income security for families ○ It helps to mitigate the extra costs that those with large families face. (Curam) ● CB could be altered to make it more responsive to those children who require more supports. However, if poverty reduction is the desired outcome, then some basic family income supports should remain universal. (Curam) ● The State should make a contribution to support families with children. The Child Benefit payment is based on the principle of horizontal equity: income is distributed from those who do not have children to those who do, based on an understanding that those with children have higher costs than those without and, therefore, require additional financial support. This payment reflects our values as a society: its universality demonstrates that children are cherished and that Irish society believes that we should support their wellbeing. (Alliance) ● The principle behind the child benefit payment is that the State provides additional supports to families with children, thus acknowledging the additional costs that are associated with raising a child. (Inclusion Ireland) ● CB fulfils a number of purposes. Firstly, it socialises the cost of child rearing Secondly, it recognises the importance of the parents' role in raising children, and thirdly it is aimed at relieving child poverty. However, a policy instrument with multiple goals will always find it difficult to ensure that it meets its stated objectives. (IBEC)
	<p><i>Are the objectives consistent with other public policy programmes that provide income and other supports to families with children?</i></p> <p><i>How does CIS policy and programmes interact with the</i></p>	<p>Adult Income Supports – Poorer Families</p> <ul style="list-style-type: none"> ● Tackling child poverty cannot be seen as a separate policy from adult income supports. Adult social welfare rates are part of the solution to ending child poverty and should be recognised as an anti-child poverty measure. (SVP) ● Poor children live in poor households. Necessary to address adult social welfare payments in order to support children living in those households. The development of a progressive social transfers system that amends the current system, removing poverty traps and supporting

	<p><i>broader strategy to reduce child poverty in particular through ensuring the maintenance or improvement in work incentives?</i></p>	<p>progression and development that meet the needs of parents and their children. (Barnardos)</p> <ul style="list-style-type: none"> • Effective social protection requires that the different strands of social welfare supports develop in an integrated fashion. The interaction between Child Income Supports and other policy measures (support for lone parents, adult social welfare rates, education supports, activation measures and housing supports) must be considered in the context of the Review of Child Income Supports, given that a change in one will naturally impact on the others. (Alliance) • The cost of accessing community level services for children – such as childcare health and play – can be prohibitive. This, combined with inadequate targeted Child Income Supports, means that child poverty remains stubbornly high. It is clear that children growing up in poor families require additional financial supports. (Alliance)
<p>B. Economy and efficiency: Define the outputs associated with relevant programme activity and identify the level and trend of those outputs. Identify the level and trend of costs and staffing resources associated with the relevant programmes and comment on the efficiency with which they have achieved their objectives.</p>	<p><i>What are the payments associated with CIS programmes?</i></p>	<ul style="list-style-type: none"> • All submissions identified CB, QCIs and FIS. • A few made mention of BtSCFA, ECS.
	<p><i>To what extent has the mix of programme spending changed over time?</i></p>	<p>Trends since 1994</p> <ul style="list-style-type: none"> • The state has significantly increased its expenditure on child benefit. In 1994 QCI was the single biggest payment. Welfare spending has increased from 6.9% of GDP in 1999 to 9.6% of GDP in 2008. (IBEC) • Overall, since 1994, there are a number of trends in Child Income Supports worth noting: <ul style="list-style-type: none"> ○ a significant increase on untargeted supports for children through the Child Benefit payment (in part to reflect the lack of services for children); ○ increase in the take up of the FIS payment, particularly since 2004 (linked to awareness raising initiatives by DSFA); however take up of FIS still remains low; ○ re-introduction of the QCI payment, and an increase to it in Budget 2010 to compensate for lost income through the reduction in the Child Benefit payment; and ○ a reduction in the rate of child poverty between 2005 and 2008 by more than 4%, from 10.7% to 6.3%. (Alliance) • Specific trends 1994-2004 <ul style="list-style-type: none"> ○ the introduction of Tax Credits (Home Carer’s & One Parent Family) to support certain types of families with the cost of children;

		<ul style="list-style-type: none"> ○ spending on child-contingent cash transfers more than doubled in real terms (despite a decline in the overall population of children in the country); ○ the proportion of total spending by the DSFA accounted for by child-contingent cash transfers rose from 16% to 20%. ○ spending on QClS, which had been greater than spending on Child Benefit in 1994, was equivalent to only 17% of Child Benefit expenditure in 2004 and 21% in 2009. (Alliance)
	<p><i>From policy to programme level analysis: What specific changes at programme level could be made to improve their effectiveness and efficiency?</i></p>	<ul style="list-style-type: none"> ● While CB fulfils a number of objectives, reform and linkage to family income can still meet the stated objectives while providing greater resources for child services or greater targeting of resources at low income families. This approach could see CB having a component which is paid to all families (recognising the societal importance of raising children) and the rest of the payment being income related. (IBEC) ● The level of payment could be linked to certain indices, similar to what was outlined in the Towards 2016 agreement, and could be modified as these indices improve. (IBEC) ● Amalgamation of FIS and QClS into one payment, which could then be targeted at the families most in need. This would mean that families with low income would receive support regardless if they were in employment or in receipt of welfare payments. This would be an equitable method of ensuring that those in most need financially will receive the financial support required. (ISPCC) ● Implementing the current structure is difficult to negotiate, costly from a time and administrative point of view so a more central and universal systems needs to be explored. (ISPCC) ● Any income support which is recognised as effective and efficient should only be changed once it is established how it can be made to be more effective and efficient. All proposed changes should be subjected to the type of socio-economic modelling programmes used in other countries, such as the US, to estimate the direct and indirect cost-benefit outcomes of changes to policy prior to restricting access to income supports. (Curam) ● Any reform must be backed with serious political will to ensure the full implementation of changes that will update the social transfer system specifically related to children and families, placing the child and their needs at the centre of the supports developed. (Barnardos) ● Review the entire payment system with a view to reforming CIS payments. (IBEC) <ul style="list-style-type: none"> ○ Reform Child Benefit payment so that it is related to the level of income a family enjoys. (IBEC) ○ Replace QClS and FIS with a single payment for all low income families, which can be

	<p><i>Comment on the efficiency with which they (programmes) have achieved their objectives.</i></p>	<p>accessed regardless of whether they are in work. (IBEC)</p> <p>Overview</p> <ul style="list-style-type: none"> • The current instruments that target child income support to low-income households – are not appropriate mechanisms through which to address child poverty efficiently and effectively. (Alliance) <p>Child Benefit</p> <p><i>Advantages of Universality</i></p> <ul style="list-style-type: none"> ○ All families receive child benefit regardless of their family income. Since it is universal there is a very strong take up by families as there is no stigma attached to drawing child benefit. (IBEC) ○ Child benefit is paid regardless of whether a family member is in employment or not. (IBEC) ○ The retention of Child Benefit as a universal payment in recognition of the value and cost of raising children. A monthly payment to households with children, based on the principle of horizontal equity, which benefits almost all children in the country. (Barnardos) ○ It is easy for people to understand and there is no stigma attached to it. (Alliance) ○ The same rate applies for people in employment and on social welfare, and for people parenting alone and in couples. (Alliance) ○ It is paid as a direct cash payment. (Alliance) ○ It must be applied for, but the application process does not appear to be a deterrent. (Alliance) <p><i>Disadvantages of Universality</i></p> <ul style="list-style-type: none"> ○ While it has significantly increased in the past number of years, its effects on child poverty may be more limited, due in part to the universal nature of the payment which means that it is not targeted at low income families. (IBEC) ○ Child income supports as they currently exist do not target the poorest children within our
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		<p>society. Child Benefit alone does not provide adequate support to children in families on low incomes. (Inclusion Ireland)</p> <ul style="list-style-type: none"> ○ Child Benefit alone does not provide adequate support to children in families on low incomes. (Alliance) ○ It is not sufficient as an anti-poverty measure on its own. (Alliance) ○ Untargeted nature of CB means they fail to truly support children in the poorest families. (Alliance) <p><i>Level of Payment/Cost</i></p> <ul style="list-style-type: none"> ○ There is no agreement on what level of costs associated with child rearing that should be socialised. (IBEC) <p><i>Taxation</i></p> <ul style="list-style-type: none"> ○ A number of reports have urged reform of the child benefit system. The commission on taxation report recommended that child benefit be taxable. (IBEC) <p><i>HRC</i></p> <ul style="list-style-type: none"> ○ The habitual residency condition should be revisited so that all children in the State are supported. (ISPCC) ○ CB should be a universal payment and the payment should be restored to the parents of children seeking asylum. (SVP) <p><i>Age related conditions</i></p> <ul style="list-style-type: none"> ○ Child Benefit clearly fails to make a distinction between the age of the children concerned in fact it covers newborns, toddlers, pre-school, primary school, and secondary school
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		<p>children. There needs to be a realisation that a household with a 10yrs girl and a 15yrs boy incur different expenses. (VPSJ)¹⁶²</p> <p><i>Education</i></p> <ul style="list-style-type: none"> ○ There is an opportunity with child benefit to encourage a low income family to allow their child to remain within the educational system rather than to enter the workplace at a young age without having completed the Leaving Certification. (VPSJ) ○ Child Benefit supports parents in the cost of educational expenses and as such perhaps there is a need to recognise that a school child in a low income family must be supported. Education is one of the keys to escaping the poverty trap as such there needs to be a support or system developed. The culture of support for remaining in education should be working in line with other discretionary supports available such as clothing and shoe allowances. (VPSJ) <p>QCIs</p> <p><i>Targeted Payment</i></p> <ul style="list-style-type: none"> ○ The QCI is well targeted given that it can be assumed that most of the poorest children in the state have it paid on their behalf. (IBEC) ○ QCIs should be extended to include all low income families and not be solely focused on families within the welfare system. (ISPCC) <p><i>Disincentive to work</i></p> <ul style="list-style-type: none"> ○ It may provide a disincentive to work as larger families will require a larger wage to offset their loss of QCI. (IBEC) ○ QCI has in the past been associated with creating poverty traps and a disincentive to people with children making the move from welfare to work. (SVP)
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¹⁶² VPSJ – Vincentian Partnership for Social Justice.

		<ul style="list-style-type: none"> ○ Qualified Child Increases, if increased, may create a disincentive to working. (Inclusion Ireland) ○ QCIs, if increased, risk creating an employment disincentive. (Alliance) ○ QCIs can create an employment disincentive and as a result their value was frozen for many years. QCIs' significance as a source of overall household income has declined since the 1990s. (Alliance) <p><i>Welfare to work – No automatic transfer to FIS</i></p> <ul style="list-style-type: none"> ○ When an adult leaves the welfare system the payment is withdrawn (there is no automatic transfer to FIS). (IBEC) ○ QCIs are only paid when the adult responsible for a child qualifies for a social welfare payment. If the adult moves from social welfare to take up employment the QCI is withdrawn. There is no automatic transition to FIS or any other form of in-work child income support. (Alliance) <p><i>Level of payment</i></p> <ul style="list-style-type: none"> ○ As a targeted payment to children in families reliant on social welfare, QCIs should be increased. Increases in the QCI must be mirrored by increases in the threshold for Family Income Supplement in order to reward families in work on low income. (SVP) ○ A more nuanced approach is needed than simply increasing QCI. This may create poverty traps and also create a disparity between different household types. (Focus) <p>FIS</p> <p><i>Complexity of Payment</i></p> <ul style="list-style-type: none"> ○ It is difficult to understand and there have been problems in communication. (IBEC) ○ It is complex and very hard to calculate what a person will receive. (IBEC) ○ Family Income Support is complex and uptake remains low. (Inclusion Ireland) ○ The amount people stand to gain from FIS is difficult to communicate. Since 2005, the calculation of thresholds has become more complex. (Alliance)
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		<p><i>Low take-up</i></p> <ul style="list-style-type: none"> ○ It has a low take up rate due in part to the fact that FIS is not an automatic payment and because staff may not be willing to discuss applications with their employers. (IBEC) ○ This scheme is quite cumbersome, which leads to less take up. Employees need to approach their employers and have to complete very detailed application for the income supplement. (ISPC) ○ It is difficult to access, lacks flexibility and is plagued by low take up, reducing its effectiveness in meeting its objectives. The payment has the potential to significantly reduce child poverty if it had full take-up. FIS should be paid automatically to eligible parents. This could be used as a way of piloting the sharing of information between the tax and welfare systems. (SVP) ○ FIS is complex by nature and its take up remains low. (Alliance) ○ Take up of FIS is still low, though it has improved since 2003 (as a result of awareness raising initiatives undertaken by the Department of Social and Family Affairs). (Alliance) <p><i>Exclusion of self employed</i></p> <ul style="list-style-type: none"> ○ Self employed people cannot apply for it regardless of their income. (IBEC) ○ Not all low paid workers are entitled to FIS. For example, the self-employed cannot apply. (Alliance) <p><i>Number of Hours Condition</i></p> <ul style="list-style-type: none"> ○ FIS is a crucial payment for families on a low income. However, the stipulation that a person must be working 19 or more hours per week is not appropriate in the current economic climate. Any child income supports should be mindful of the precarious nature of employment at the present time. Income supports needs to be put in place that allow flexibility and that assist families who find their working hours reduced. Income supports today need to be flexible and adaptable to people’s working conditions and the current economic climate. (VPSJ)
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		<p><i>Level of payment</i></p> <ul style="list-style-type: none"> ○ Cutting FIS particularly for those who work full time [and] pay full-time private childcare fees will diminish the benefits of working and leave many lone parents caught in a poverty trap where they are better off in receipt of Social Welfare than they are from working. (VPSJ) ○ An incentive to low-earning parents to take up or remain in employment, in circumstances where they may be only marginally better off than if they were claiming social welfare. (Alliance) <p><i>Application process – role of employer</i></p> <ul style="list-style-type: none"> ○ Payment of FIS is not automatic. The initiative to access it must be taken by the employee, who must then enlist their employer to complete an extensive application form. (Alliance) ○ FIS is not sensitive to employer/employee relations, particularly in the early stages of employment: it requires that a new employee be open with their employer about their families’ needs and means, and asks the employer to agree to the application process for FIS. (Alliance) <ul style="list-style-type: none"> ● Early Childcare Supplement <ul style="list-style-type: none"> ○ The Early Childcare Supplement was a failed attempt to support families with the cost of early care and education services. Its replacement by the Free Pre-School Year was a positive step. However, the overall impact of the Free Pre-School Year on affordability was limited. (Start Strong) ● Back to School Clothing and Footwear Allowance <ul style="list-style-type: none"> ○ While the BtSCFA goes some way to assisting parents to pay for essentials such as uniforms and school shoes, it falls far short of meeting the increasing costs of such items. School books, in particular, pose a significant challenge to many parents. Introduce a free, universal Book Rental Scheme that would provide books to all school children in order to level the playing field for those living in disadvantage. (Barnardos) ○ Increases to the Back to School Clothing and Footwear Allowance and the School Meals
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		Scheme are welcome. However the absence of more sustainable support with the cost of school (e.g. a book rental scheme) is criticised. (Alliance)
	<i>How much does it cost to deliver these supports and how do these compare with the cost of equivalent programmes elsewhere?</i>	
C. Effectiveness: Consider the extent to which policy objectives have been achieved and whether they could be achieved more effectively through an alternative programme spending mix.	<i>What are appropriate indicators of outcomes against which performance can be evaluated?</i>	<ul style="list-style-type: none"> • CIS payments as a proportion of the cost of a child. (SVP) • Minimum Essential Budget approach. (VPSJ)
	<i>How have these indicators evolved over the period of the evaluation?</i>	<ul style="list-style-type: none"> • In the context of Ireland’s strong economic and employment growth since 1995 and the major increases in Child Income Supports since 2001, the results in relation child poverty are unsatisfactory. (Alliance)
	<i>Are there trade-offs and/or complementarities between the different components?</i>	
	<i>Could similar results be achieved through a different mix of programme inputs?</i>	
	<i>To what extent can these trends be explained by trends in the relevant programme outputs?</i>	

<p>D. Impact: Consider the wider impact of policy and associated programmes for society over the medium to long-term.</p>	<p><i>How do the programmes fit in with other relevant public policy programmes?</i></p>	<ul style="list-style-type: none"> • The review of child income supports should form part of a wider debate around the need for a full range of supports for children and their families – a debate that would encompass services for children and families. (Start Strong) • The current CIS review should form part of a wider debate around the need for a full range of supports for children and their families but it must also form part of a discussion about the shape of a National Plan for Early Childhood. (Start Strong) • A combination of child and adult income supports and access to good quality services in housing, education, health and childcare are necessary to end child poverty. (SVP)
	<p><i>What are the longer term impacts on intended beneficiaries?</i></p> <p><i>What are the wider socio-economic effects of policy and associated programmes?</i></p> <p><i>Are there unintended side effects from the programme?</i></p> <p><i>What are the other relevant policy impacts?</i></p>	<p>Provision of Universal Services</p> <ul style="list-style-type: none"> • The focus needs to shift to the provision of universal services. Further targeted income support may lead in the short term to alleviate immediate hardship for poor families, however it is not a long term solution nor will it provide value for money in the long term in terms of the outcomes for children in Ireland. (Joint) • There is an opportunity to redirect some of the funds being used to service CB into service provision. (IBEC) • The need to improve public services for children and families is clear. Providing child centred accessible services for children, family support services, good levels of adult social welfare payments, adequate housing, quality childcare options and educational facilities will assist in moving children out of the poverty trap. (ISPCC) <p>Child Care, Education and Employment Supports</p> <ul style="list-style-type: none"> • A significant increase in public investment in care and education services could have a significant impact both on the objective of ‘reducing poverty in a way that minimises employment disincentives’ and on the objective of ‘supporting parents with the cost of childcare. (Start Strong) <ul style="list-style-type: none"> ○ Services for children should be seen as including not only early care and education services outside the home, but also supports for families, given the evidence that the home learning environment is one of the most important factors in determining children’s development. (Start Strong) ○ Further public investment in care and education services for young children is essential if

		<p>effective help for families with the cost of early care and education services is to be provided. (Start Strong)</p> <ul style="list-style-type: none"> • The objective of providing support for working parents with the cost of childcare could be better met through the provision of universally available affordable, accessible and good quality child care and after school care services for all children. This would allow child benefit to focus more on its anti poverty objective. (SVP) • The focus of early childhood education and care must be on the provision of high quality services that support children’s development and wellbeing. The lack of affordable childcare for children under the age eligible for the free pre-school year remains one of the biggest challenges for parents who want to progress into the labour market. Develop comprehensive universal, free high-quality childcare services for all children in Ireland to meet the needs of children and their parents. (Barnardos) • There is a totally inadequate number of systems of support in Ireland which gives low income lone parents the opportunity to join the workforce, return to training or education without having existing government benefits be effected. Child care supports are fundamental: one suggestion would be to provide for a reclaimable tax on child care costs where the person is a low income lone parent. (VPSJ) • Expand pre-school provision to cover those aged 3 and above. (Joint) • Address the poverty traps, childcare and other barriers that prevent many lone parents moving off welfare and into sustainable employment; and do not introduce compulsory activation of lone parents at least until such barriers are removed and employment opportunities are greatly expanded. (Joint) • Ensure that adequate training, retraining and educational places are available to support those currently unemployed to access the relevant skills that will help them to access sustainable employment. (Joint) <p>Other supports e.g. health, housing etc.</p> <ul style="list-style-type: none"> • Call for the preparation of a cross-departmental discussion paper on ‘Achieving Positive Outcomes for Children through Reducing Poverty and Social Exclusion’ which would form the basis of wide ranging discussions with social partners, NGOs and civil society about where Ireland wants to go in ensuring positive futures for all its children. This would mean looking at family and children’s policy, labour market, health and other policies in a coordinated way.
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		<p>(Joint)</p> <ul style="list-style-type: none"> Resources should be placed into preventative supports for parents, where stress levels of the parents can be reduced and the families’ resilience can be developed. (ISPCC) The further development and improvement of supports in relation to education, health and housing are fundamental to tackling child poverty in Ireland. (Barnardos) Restrictions to the medical card cause considerable poverty traps for families and prevent many parents from being able to progress from welfare to work. Ideally, expanding the medical card to all families with children under the age of 8. (Barnardos) Transfer families living in rented accommodation from Rent Supplement to the Rental Accommodation Scheme after six months instead of a year. (Barnardos) <p>Tax and Welfare</p> <ul style="list-style-type: none"> Strategic (partial) integration of tax and welfare systems would be an example of joined-up Government in action. (Alliance) Allowing the tax and welfare systems to work together to support families would also demonstrate Government’s commitment to the life cycle it would symbolise a step away from the traditional dichotomy of people as either ‘taxpayers’ or ‘welfare recipients’ and show that instead, people are both at different points in their lives. (Alliance)
<p>E. Continued relevance: Evaluate the degree to which the objectives warrant the allocation of public funding on a current and ongoing basis and examine the scope for alternative policy or organisational approaches to achieving these objectives on a more</p>	<p><i>What is the justification for the continued allocation of public funds to CIS policy and associated programmes?</i></p>	<ul style="list-style-type: none"> Support for children in all families is necessary, while families on low incomes need extra support. (SVP) Child Income Supports warrant the allocation of public money on a current and ongoing basis because: <ul style="list-style-type: none"> The State should make a contribution to the cost of rearing children. Children growing up in poor families need additional financial support. Investing in targeted supports for children will save Government money in dealing with social problems in the long term, and will deliver wider benefits to society. (Alliance)
	<p><i>What changes in (i) overall policy towards CIS, (ii) the mix between specific programmes (iii) the design and operation of specific</i></p>	<p>Effectiveness of existing use of resources</p> <ul style="list-style-type: none"> The current system of supporting children is not working to its best effect. Making small changes to the existing system could result in inconsistencies and unintended consequences in other areas. (SVP)

<p>efficient and/or effective basis (such as through international comparison.)</p>	<p><i>programmes would improve the effectiveness and impact of policy and programmes in this area?</i></p>	<ul style="list-style-type: none"> • Could be argued that CB is trying to do too much. It is inefficient as an anti-poverty measure and is insufficient on its own to impact significantly on the child poverty rate. (SVP) • Any further changes to child income supports should take place as part of a wider reform process with a view to eradicating child poverty, preventing poverty traps for low income households and securing value for money in public expenditure in this area. Not in favour of cutting child benefit. Whatever the other potential merits of increasing child benefit, it is not the most efficient or effective means of eradicating child poverty. (Focus) • The majority of Government spending current Child Income Supports (via child benefit scheme) is untargeted and therefore does not meet the following objectives of the Department: <ul style="list-style-type: none"> ○ Prioritize children in all low income families in allocating additional resources. ○ Treat low income families equitably (Inclusion Ireland) <p>Adequacy or level of payment/support</p> <ul style="list-style-type: none"> • Maintain child benefit at its current level pending our proposed review with a commitment to reinstate it to 2009 levels if other reforms are not introduced. (Joint) • Consider whether the spending programmes can be reformed to provide greater levels of support, while either maintaining or even providing saving to the exchequer. (IBEC) • The overall level of investment in child income supports should not be reduced as a short-term, cost-saving measure. (Start Strong) • McCarthy report recommendation of a 20% reduction in Child Benefit (reducing it from €166 per month to €136 per month) does not take into account the fact that many families, in particular families with adolescents, are already faced with a weekly shortfall. Reducing Child Benefit would have a direct negative impact on households that are already struggling to cope despite the fall in the price of goods and services in 2009. When the Government is considering what areas they can make savings in that they do not concentrate on those who are already unable to afford a Minimum Essential Standard of Living. (VPSJ) • All social welfare payments and income support measures to be based on the actual cost of living. (VPSJ) • Child income support payments must be adequate for low income families if they are to tackle
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		<p>child poverty. (SVP)</p> <p>Second Tier Payment</p> <ul style="list-style-type: none"> • Amalgamation of FIS and QCI into one payment, which could then be targeted at the families most in need. This would mean that families with low income would receive support regardless if they were in employment or in receipt of welfare payments. This would be an equitable method of ensuring that those in most need financially will receive the financial support required. (ISPCC) • There should be one payment – a second tier – to all families with children whose income is below a certain level. This income may be derived from low paid work of social welfare payments. This second tier payment would supplement the existing child benefit payment and replace the Qualified Child Income and Family Income Supplement payments. The purpose of this single payment is to direct additional resources where they are most needed, that is, to children in the poorest families. This payment would be paid to all low income families regardless of whether that low income comes from welfare or from work. A second tier payment would demonstrate a more targeted use of public money and a step towards achieving Government’s aim of ending child poverty. (Inclusion Ireland) • Research commissioned by the End Child Poverty Coalition found that the introduction of a second tier payment to replace the Family Income Supplement and Qualified Child Increase would not meet the objectives of ensuring all children in low income households are protected from poverty because: <ul style="list-style-type: none"> • It would not improve work incentives; a residual FIS scheme would be required to protect those on low earnings. • A positive impact on social welfare households could be achieved more cost effectively via targeted payments. • More substantive benefits for families on low pay could be achieved by enhancing the FIS scheme. (End Child Poverty Coalition)
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		<p>Targeting CIS at low income families</p> <ul style="list-style-type: none"> • Child income supports must be targeted at low income families and protect children at risk of poverty. The lack of targeting of child benefit is a key concern. While there are significant resources devoted to child benefit it is important that this is targeted at lower incomes to ensure that resources make an impact on child and family poverty. (IBEC) <p>Work incentives</p> <ul style="list-style-type: none"> • Ensure that the welfare system does not create disincentives to returning to work. QCIs can, under certain circumstances, result in potential workers not returning to the labour market if employment opportunities do not offer wages to offset welfare benefits. Urgent reform of the welfare system is required in order to ensure that a strong incentive to work exists when the economy starts to recover. (IBEC) <p>Individualisation of Tax and Welfare System</p> <ul style="list-style-type: none"> • In the long term the full individualisation of the Income Tax and Social Welfare systems. (Treoir) • The focus of Government support should be on children. Currently support in the Income Tax system is focused on families and varies with marital, partnership and economic status. There would be some savings from the full individualisation of the income tax system. Support for children is spread across Child Benefit, Qualified Child Allowances and Family Income Supplement in the social welfare system. With the individualisation of the two systems a single substantial support is made available to all children equally. (Treoir) • The proposed new low income support payment could be advanced in a number of ways. One approach would see the payment take the form of additional tax credit for those currently in the labour force and a direct payment for those on benefit. The payment would be related to income and would have to be tapered in line with the increase in a family's income. This could be assessed annually. At a basic level it would involve a three stage approach: <ul style="list-style-type: none"> ○ Using the current CB application process to obtain data that would link parents to children, ○ DSFA and Revenue would combine to administer the payment as a tax credit for working
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		<p>families,</p> <ul style="list-style-type: none"> ○ DSFA would administer the payment to families not in work. (IBEC) ● Costs associated with the development of new administrative systems must be considered in the context of the longer term costs of failing to address child poverty. (Alliance) ● A strategic or partial integration of the tax and welfare system is required for a more flexible, responsive social welfare system. (Alliance) <p>FIS and other SW payments</p> <ul style="list-style-type: none"> ● The McCarthy Report recommendation “ that claimants already in receipt of a primary weekly social welfare payment should not be eligible for the scheme [Family Income Supplement] in line with the principle that where possible social welfare claimants should be in receipt of a single primary payment” if implemented would mean that lone parents who work full time (at the rate of the National Minimum Wage) and whose children are in full-time private childcare would no longer be able to afford a Minimum Essential Standard of Living. (VPSJ) ● That families in receipt of a primary weekly social welfare payment would continue to be eligible for the Family Income Supplement otherwise lone parents who work full time (at the rate of the N.M.W.) and where children are in full time private child care will no longer be able to afford a minimum essential standard of living. (VPSJ) <p>Other changes</p> <ul style="list-style-type: none"> ● The current structure is difficult to negotiate, costly from a time and administrative point of view so a more central and universal systems needs to be explored. (ISPCC) ● Rather than restricting access to Child Benefit, it should be altered and extended to support children and families better. If the current system were made more responsive to the children and families participating in it, it may be possible to improve the outcomes associated with child rearing significantly. For that reason, a system of Care Credits was proposed to improve outcomes and allow for improved child safety and opportunities for research. (Curam) ● In the mid-term a Parental Allowance should be introduced for low income families as recommended in the Government Discussion Paper - Proposals for Supporting Lone Parents. (Treoil) ● That Child Benefit and Qualified Child Allowances be age related as in the case of the back to
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		school payment – otherwise many young people from low income households will have no choice but to leave school early. (VPSJ)
	INTERNATIONAL EXPERIENCE	<ul style="list-style-type: none"> • The best outcomes for children in terms of child poverty can be seen in countries with high level of universal supports for children and families combined with high quality, accessible services in health, childcare and education. The Scandinavian model represents clear value for money in term of outcomes for children from all families. (Joint) • Child focused tax credits in the UK (Alliance)
<p>F. Performance indicators: Identify performance indicators that might be used to better monitor the performance of CIS policy and associated programmes.</p>	<p><i>What indicators are currently used to monitor the effectiveness and impact of policy in this area?</i></p>	
	<p><i>How might they be better used to improve policy design and programme administration?</i></p>	<ul style="list-style-type: none"> • Clear objectives for child income support policy should be generated from the review. It will then be possible to develop performance indicators for each of the objectives. An anti-poverty objective should be at the heart of child income support policy. Child income supports must be adequate and structured in such a way as to avoid poverty traps and work disincentives. (SVP) • Possible performance indicators to monitor the effectiveness of child income support policy include: <ul style="list-style-type: none"> ○ Income adequacy <ul style="list-style-type: none"> ▪ At risk of poverty rate for children ▪ Consistent poverty rate for children ▪ Deprivation among children ▪ Child income support measures as a percentage of the lowest adult social welfare rate ▪ The proportion of the cost of a child which is covered by child income supports. ○ Poverty traps <ul style="list-style-type: none"> ▪ Effective marginal tax rates (including benefit withdrawal) for welfare recipients compared with high income earners ▪ Proportion of children in families without an employed adult ▪ Proportion of children in ‘working poor’ households. (SVP) • To monitor progress towards achievement of these objectives indicators should be outcomes (rather than input or output) focused. Some possible indicators for Child Income Supports are outlined below: <ul style="list-style-type: none"> ○ Income-focused indicators:

		<ul style="list-style-type: none"> ▪ consistent poverty rate for children ▪ at risk of poverty rate for children ▪ deprivation rate among children ▪ Child Income Support measures (combined) as a percentage of the lowest adult social welfare rates ▪ proportion of the cost of raising a child which is covered by Child Income Supports (Alliance) ○ Indicators focused on poverty traps: <ul style="list-style-type: none"> ▪ effective marginal tax rates (including benefit withdrawal) for welfare recipients compared with high income earners ▪ proportion of children in families without an employed adult ▪ proportion of children in ‘working poor’ households (Alliance) ● It is important to exercise caution when using poverty rates as a measure of the effectiveness of Child Income Supports, as Child Income Support is not the only factor involved in reducing child poverty. (Alliance)
	<p><i>Should new indicators be introduced and is the justification for the continued allocation of public funds to CIS policy and associated programmes?</i></p>	<ul style="list-style-type: none"> ● The Government should set a target for reducing child poverty, and use the agreed indicators to monitor its progress in reaching that target. The National Action Plan for Social Inclusion 2007-2016 has an overall target for poverty reduction, but does not have a specific target for child poverty. (Alliance)

Appendix 4 – 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.

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.	Y		
The change it will bring about in an existing policy or procedure (specify). It should be noted that this is a Poverty Impact Assessment of a VfM Review on Child Income Supports Policies and Programmes rather than on the recommendations and proposal set out within the review. The review process is by its nature designed to improve the effectiveness and efficiency of the programmes objectives, which in this case includes reducing child poverty.	Y		
Its relevance to some or all of the lifecycle or other vulnerable groups			
Life cycle groups			
Children and younger people	Y		
People of working age	Y		
Older people		N	
People with disabilities		N	
Examples of vulnerable groups			
Women	Y		
Lone parent families	Y		
Families with large numbers of children	Y		
People with disabilities		N	
Unemployed	Y		
Members of the Travelling community		N	
People experiencing rural disadvantage		N	
People experiencing urban poverty		N	
Homeless		N	
Migrants and Ethnic minorities		N	
Also need to consider potential impacts on inequalities which may lead to poverty.			

Step 1: Consultation

A consultation exercise was conducted as part of the review process. This consisted, firstly of an invitation for written submissions from the social partners and community and voluntary groups and secondly an invitation to policy experts to make an input into the process. In total 18 organisations were invited to participate in the consultation process, which resulted in fifteen written submissions and a supplementary submission. In addition to the formal consultation process, other stakeholders that were consulted included officials from the Department of Finance, who also formed part of the Steering Group, the Revenue Commissioners and the Office of the Minister for Children and Youth Affairs.

Step 2: Define Policy Aims and Target Groups

2.1 What is the primary objective of this policy / programme / expenditure proposal?

The VfM review process is designed to establish the broad public policy objectives underlying programmes, which in the case of this review is to deliver income support to families with children. The review also seeks to establish how CIS policy and programmes interact with the broader strategy to reduce child poverty in particular, through ensuring the maintenance or improvement of work incentives. The review goes on to consider the effectiveness and efficiency of the policy objectives and the extent to which these have been achieved.

The review identified that the primary policy objectives underlying CIS payments are to provide

- universal assistance with the cost of child-raising to all families (“horizontal redistribution”) and
- targeted child-related assistance to selective families who are at risk of poverty (“vertical redistribution”).

The evolution of policy has also seen other secondary objectives emerge over time with varying significance. These include: the reduction of financial disincentives for parents to take up work; financial assistance with specific costs such as the cost of paid childcare and the provision of an independent income source for women in the home. Given the association between parental employment and poverty, the first of these is particularly significant.

The objectives of CIS payments are considered in Chapter 2 of the report while the effectiveness and efficiency of CIS payments are examined in Chapter 4.

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

The target groups considered in the review include all families with children under specified ages in respect of whom a CIS payment is being made. It is likely that a “mixed” strategy approach where the level of CIS to low-income households is made up of both universal payments and selective payments of roughly the same value will provide for the optimal achievement of CIS objectives (as opposed to the “mainly selective” and “mainly universal” approaches in the past). The review also considers that there is a need to rationalise the current selective instruments in order to target low income families and to encourage employment.

The various reform options considered in the review are detailed in section 9.3, where an evaluation of each of the reform options against the objectives for CIS payments is also provided.

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?

The review identified a reform approach that would rely as much as possible on the positive features within the current system but would rebalance their relative levels and interaction so as to make the system more coherent and effective. Such a system would differ from the current system in a number of ways. Families would receive a single integrated payment per child. For all families this would comprise of a basic payment while other (low income) families would receive a supplement based either on their social welfare status or whether they have low income or not. Unlike the current situation where both FIS and QCIs could be paid, only one supplement per low-income child would apply. This approach would allow for the **incremental** alignment of CB, QCIs and FIS into a single child income support payment that would provide some support to all families and deliver additional targeted support to all low income families across the welfare-to-work divide. In common with other approaches to structural reform, this would have a number of advantages over both the current structure and the alternative of means testing or taxing child benefit:

- It would address horizontal and vertical redistribution objectives in a single instrument making it more visible and easier to assess if it is meeting governmental objectives;
- The various elements would be more transparent to families with children and inconsistencies could be better avoided;
- It would be easier to cross the welfare-to-work divide while minimising work disincentives requiring an income cut-off point beyond which payments would be gradually withdrawn.

Step 3: Consider 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.

A wide range of data sources was utilised to provide quantitative analysis of CIS programmes. The main data sources that were used included:

- DSP Statistical Information on Social Welfare Services
- Survey on Income and Living Conditions
- Census and population data
- Quarterly National Household Survey
- Household Budget Survey

The implications of various programme spending mixes on spending, poverty effect and impact on employment incentives were analysed using the ESRI's SWITCH tax-benefit microsimulation model. The interaction of income supports, earnings and household incomes was examined by using 'model' household level analysis.

A range of reports and studies relating to the subject were also examined including:

- relevant legislation and background information,
- scheme guidelines and relevant case history,
- previous reviews and relevant research on child poverty and the cost of a child
- Information on the organisational delivery of the current supports,
- International practice,
- Management information reports

Further details of these reports are set out in the bibliography.

Chapters 3 and 5 provide an analysis of programme level data including spending trends and administrative processes. Chapter 4 utilises data to evaluate the objectives of CIS associated with assistance with child-raising and reducing child poverty. Chapter 7 considers CIS spending and outcomes in an international context using data from the EU and OECD.

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 for each of the vulnerable groups listed in the table?

Vulnerable Group	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
Life cycle groups			
Children and Young People		√	
People of working age		√	
Older people	√		
People with disabilities	√		
Other Vulnerable Groups			
Women		√	
Lone parent families		√	
Families with large numbers of children		√	
Unemployed		√	
Members of Travelling community	√		
Prisoners and ex-prisoners	√		
People experiencing rural disadvantage	√		
People experiencing urban poverty	√		
Migrants	√		
Ethnic minorities	√		
Others: (please specify)			

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 or ameliorate the effects of poverty?

While there are significant difficulties associated with trying to determine the poverty impacts of the various reform options identified in the review, owing to the difficulties associated with the range of assumptions that would need to be made when setting out the various reform options, studies that analysed the effects of some of the reform options, such as the introduction of a second tier child payment, show a positive impact on reducing child poverty. Furthermore, the pursuance of a “mixed” strategy where the level of support to low-income households is made up of both universal payments and selective payments of roughly the same value and the rationalisation of the current selective instruments in order to target low income families and encourage employment would provide for the optimal achievement of CIS objectives including reducing child poverty.

For further details on this issues see section 9.3.5.

- 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?

Not applicable

- 4.5 Would the proposal contribute to the achievement of the NAPinclusion goals and targets?

It is expected that better child outcomes resulting from the implementation of the reforms outlined in the review would include reductions in child poverty rates. Such a reduction would assist in the achievement of the overall poverty reduction target contained in the NAPinclusion.

The NAPinclusion also contains the high level goal of maintaining the combined value of child income support measures be set at 33-35% of the minimum adult social welfare payment rate over the course of the plan. While the broad CIS objectives remain valid, the review states that the Government has signalled that the balance between these objectives may have shifted with greater emphasis on the role of targeting resources at reducing child poverty.

For further details on this point see Section 2.4.2.

STAGE 2 Full Poverty Impact Assessment – Summary 2/2

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

CIS programmes should be understood as part of the broader strategy to improve outcomes for children and specifically child well-being. The National Children’s Strategy focuses on these wider outcomes and CIS payments contribute to at least one of the positive outcomes for children identified within that strategy (*economic security and well-being*). CIS payments can also complement programmes that focus on producing other positive impacts on children’s lives such as educational attainment and health status. However, in order to improve child well-being, many other interventions may be necessary, most notably in the provision of child-related services.

With regard to inequality on the basis of equality legislation under the nine grounds recognised in Ireland (gender, family status, marital status, age, disability, sexual orientation, race, religion, and membership of the Traveller community), the review has particular relevance in respect of the gender ground as it identifies the provision of an independent income source for women in the home as a secondary objective for Child Benefit. Given that women are more likely to have lower direct income than men (in part reflecting the impact of taking time out of the labour force to care for children) this payment to the mother in a household helps to improve equity in society generally. With regard to the other grounds it is envisaged that the proposals contained in the review would not have any impact on these groups.

Step 5: Make Decision and Arrange Monitoring

5.1 Will this proposal be adopted?

The implementation of the recommendations contained in the review will be a matter for the Department/Government to decide.

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

A set of performance indicators has been identified and these are set out in section 9.5 of the review.

Data from the CSO's Survey on Income and Living Conditions will provide statistics for the following indicators:

- Child poverty headcount rates
- Consistent child poverty rates
- Depth of poverty
- Adult versus child poverty rates

Step 6: Publish Results

The report of the VfM review of child income support and associated spending programmes, which contains the PIA will be published on the Department's website: www.welfare.ie

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: Social Protection

Programme/Policy Title: Value for Money Review of CIS policy and associated programmes

Date of policy implementation:

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

The review of Child Income Support policies and associated programmes was established in 2009 to examine the objectives of CIS policy, consider if they remain valid, if programme spending and associated administrative costs are well configured to meet these objectives and if alternative approaches would achieve better outcomes and impacts. The primary Department of Social Protection programmes covered by the review are Child Benefit, Qualified Child Increases to the main adult payments and Family Income Supplement, but the review also looked at aspects of the Back to School Clothing & Footwear Allowance and the Early Childcare Supplement (now replaced by the ECCE scheme delivered by the OMCYA).

Date poverty impact assessment was carried out: October 2010

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

Brief summary of results:

The review considers the impact of the overall design of CIS payments on better outcomes for children and on labour market outcomes for their parents. A range of possible approaches to achieve better effectiveness and efficiency in child income support spending is examined and compared. In summary the key findings of the review are that

- The objectives of child income support payments are to provide some assistance to all households with children, supplementary assistance to low-income households in a manner that minimises disincentives to parents taking up employment.
- In view of the significant level of spending and the current fiscal circumstances, it is unlikely that better outcomes would be attained with more spending, and that while less spending of itself will not lead to better outcomes, these might be secured if it resulted in better child-related services or in a rebalancing between universal and selective spending.
- It is likely that a “mixed” strategy where the level of support to low-income households is made up of both universal payments and selective payments of roughly the same value will provide for the optimal achievement of objectives (as opposed to “mainly selective” and “mainly universal” approaches in the past).
- There is a need to rationalise the current selective instruments in order to target low income families and to encourage employment. The review considers previous proposals to do this but opts for an incremental integration of the main child income support payments over the medium to long-term.
- That the level of payments whether universal or selective are more coherent and consistent in the extent to which they reflect assistance with the cost of children.

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

Results of PIA made available as part of the published review.

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