



**The barriers people who are
in receipt of rent supplement &
living in private rented
accommodation encounter in
accessing employment**

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Glossary of Terms

ADM	Area Development Management
BAP	Blanchardstown Area Partnership
BTS	Blanchardstown Training Service
CENSS	Community Employment Network Support Service
CPA	Combat Poverty Agency
CWO	Community Welfare Officer
DSFA	Department of Social and Family Affairs
ESO	Employment Services Officer
ESRI	Economic and Social Research Institute
FÁS	Foras Áiseanna Saothair
FCC	Fingal County Council
FCCC	Fingal County Childcare Committee
FIS	Family Income Supplement
HSE	Health Service Executive
INOUE	Irish National Organisation of the Unemployed
LES	Local Employment Services
NEAP	National Employment Action Plan
NMW	National Minimum Wage

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Section 1 Introduction

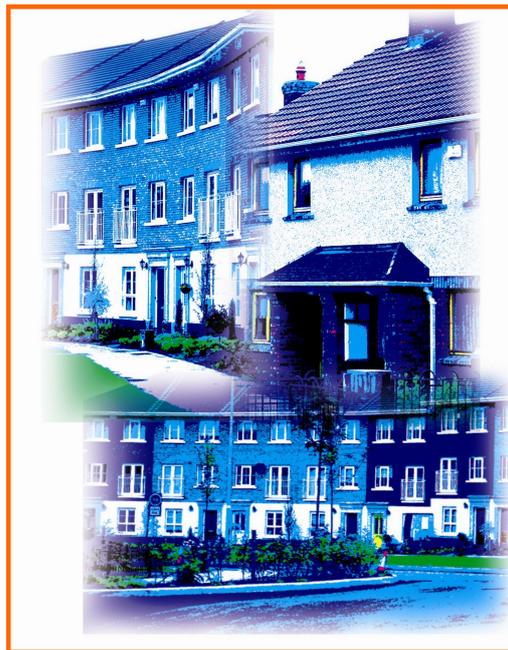
Definition¹

“A Rent Supplement is a payment, which may be paid to a person in private rented accommodation who has been assessed as having an accommodation need, who has satisfied income criteria, and who cannot afford to meet the cost of private rented accommodation from his/her own resources”

One of Ireland’s priorities in 2004 during our presidency of the European Union centred around ‘*making work pay*’. Unfortunately there are still disincentives or structural barriers that exist, which operate as poverty

traps for vulnerable groups of people living in Ireland. The major disincentive presently impacting upon many of Blanchardstown Area Partnership’s target groups centres on the partial or total loss of rent supplement. This applies to people working in excess of thirty hours per week, the claw back system for part time workers and those of Community Employment schemes. In many individual circumstances this can be *further* embedded by the potential loss of medical card and/or childcare cost considerations. The outcome is that people are financially better off if they decide not to (re-) enter the workforce. This policy paper will outline the primary barriers Partnership clients living in private accommodation and in receipt of rent supplement encounter in accessing employment. It will also make several recommendations to help counteract these.

One of the explanations of why so many people are ending up in receipt of rent supplement and living in private rented accommodation is contained in a recent Combat Poverty report². This highlights the continuing decline in the size of the social housing sector as a proportion of the total housing stock in Ireland. The cost of housing is continually rising especially in and around the greater Dublin area. As a direct consequence people are therefore increasingly being housed in new estates where there is an abundance of private rented accommodation available due to the longer council housing lists nationally. As housing affordability has fallen and council housing has become less and less of an option for people on low incomes (Fahey et al, 2004; Punch et al, 2002), rent supplement has evolved into one of the chief low income housing subsidies³ (Buck, B). These developments are placing those who have to rent privately at an increasing risk of poverty. The private rented sector has a vital role to play in social housing and in helping to bring about an improved social mix and counteracting social segregation (draft housing strategy for Fingal County Council). The next section contains an outline of some of the key demographic population profile changes that occurred recently in Blanchardstown, plus analysis of data regarding the numbers of people in receipt of rent supplement in Dublin 15.



¹ Supplementary Welfare Allowance Rent Supplement Booklet April 2004

² Housing, Poverty and Wealth in Ireland, by Fahey et al ESRI

³ Far less money is now given by the DSCFA to people to help them pay for their rent than is being spent by the DOE on new housing developments. Poverty and Wealth in Ireland, by Fahey et al ESRI

Section 2 The current situation in Blanchardstown

Technically when a household income exceeds €317.43, rent supplement should not be paid. In the 2000 budget the government tried to address some of the employment disincentives. As a consequence the Back to Work Allowance and Family Income Supplement⁴ Payments are now ignored when calculating household income. ***Nevertheless evidence is increasingly suggesting that a new phenomenon is arising whereby people living in local authority accommodation may be in a much stronger position than those in the private rent sector to take up employment because of the way their rent is calculated***⁵ (Kerrins, L and Memory, C, 2002).

2.1 Brief area profile and key features of Blanchardstown

Blanchardstown is one the youngest and fastest growing suburbs in Ireland today. According to the 2002 Census, Blanchardstown's population stood at 50,607 compared to just 38,612 persons six years previous to that. This growth rate of 5% circa per annum is well above the corresponding growth figures recorded for the State, Dublin and also the Fingal region respectively. At current growth rates Blanchardstown's projected population is set to increase to approximately 61,000 by 2006.

2.2 Target Groups

One of the contributory factors leading to an increase in Blanchardstown's population is the large numbers of foreign na-

tionals moving into the area. 11% of Blanchardstown's population is now composed of foreign nationals⁶. One gap in the most recent National Census was that it did not capture data by ethnicity. Two reasons for the large numbers of asylum seekers and refugees residing in the area are

- The relative availability of middle-price range rented accommodation.
- Government policy during the early 1990s when under a United Nations Charter Ireland accepted Bosnian refugees at the height of the Balkans war.

Lone Parents, another BAP target group, now also head 14.2% of all households in Blanchardstown, which is an increase on the corresponding figure of 9.9% back in 1996. Lone parents are of course not a homogeneous group but include many different types of families involving unmarried, separated or widowed parents (male and female) bringing up children alone. On average lone parents households have a higher than average risk of poverty, and single mothers have the lowest incomes (Millar, 1992; Nolan and Callan, 1994).

2.3 Labour Force Characteristics

The workforce in Blanchardstown increased by 10,568 people between 1996 and 2002. As a result the local labour market participation rate of 69% is in excess of the corresponding national average of 58.3%. Despite this, the unemployment rate in Blanchardstown is intractably high at 9.8% whilst in some district electoral divisions⁷ such as Tyrrellstown (23.1%), it is far higher. What is unknown of course is to what extent the higher unemployment levels in Blanchardstown are related to the rent supplement housing poverty traps that exist.

⁴ FIS was introduced to increase the reward from work by providing low paid households with extra income. For instance lone parent on low earnings may be entitled to FIS, as well as a One Parent Family Payment, Deserted Wife's Benefit or Widow's or Widower's (Contributory) Pension. Likewise a person getting a Back to Work Allowance as an employee may also qualify for a FIS payment. People on FIS may also be entitled to payments such as fuel allowance, back to school clothing and footwear allowance.

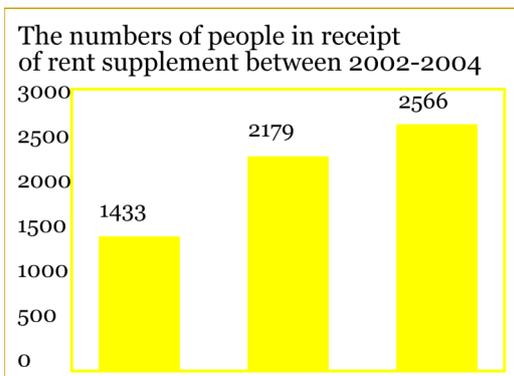
⁵ Rent Supplement A Social Policy Report Comhairle/Threshold.

⁶ A foreign national is someone who is not Irish.

⁷ Blanchardstown is composed of 8 District Electoral Divisions. The DED's do not often correspond with what the community identifies in common currency e.g. one local authority estate, which is commonly referred to as Blakestown locally, is actually in the Coolmine DED and not Blakestown DED.

2.4 Numbers of People in Receipt of Rent Supplement in D15 and Emerging Trends

Source: Health Service Executive



2.5 Overall Numbers



- **Between 2002-2004 the numbers of people in receipt of private rent supplements increased dramatically by 79% from 1,433 to 2,566 cases.** The population of Greater Blanchardstown would have risen by no more than about 10% over the same time period.
- What is also remarkable is that in 2004, **almost 80% of all rent supplementary beneficiaries were foreign nationals.**

2.6 Duration of Claims

Rent supplement beneficiaries generally appear to be in receipt of payment supports for longer periods of time now than in the past, although there are some exceptions in the less than 6 months category.

- 30% of all people receiving rent supplement were claiming between 1-2 years in 2004. This is a very large increase from the corresponding figure of 12.42% only a couple of years earlier.
- The percentage of people in receipt of rent supplement for between 2-3 years increased to over 13% in 2004.
- There was a significant drop in the less than six months category from 43.8% to only 24.66% in 2004.

2.7 Rent Claims by Marital Status

- 38.5% of beneficiaries were married in 2004. This is lower than the 2002 total of 41.7%.
- The percentage of divorced people receiving rent supplement has been increasing steadily in recent years and stood at over 10% in 2004.
- The total percentage of common law/cohabiting couples increased to 34.29% by the end of 2004.
- 38.5% of beneficiaries were single in 2004. This represents a slight fall on recent years.



8 The Health Service Executive provided BAP with rent supplement Excel tables. These tables were analysed and core data was extracted

the local authority, whereas in 2002 there were only 1,398 houses. In Mulhuddart for instance, the percentage of houses rented from the local authority fell from 84.5% to 27.2%. Smaller but nonetheless significant reductions also occurred in Coolmine, Tyrrellstown and Corduff.

One explanation for this reduction is that individuals have purchased their house from the local authority. Approximately two-thirds of the estimated 300,000 plus dwellings constructed by local authorities have been transferred into private ownership through the affordable housing scheme, leaving a stock of 109,000 local authority dwellings at the end of 2002 (NESC 2004)⁹. It was estimated that in 1998 about a quarter of all owner occupied homes nationally had originated from local authority (Fahy, 1998). Another reason that the Health Service Executive has also purchased former local authority houses. In contrast the per-



2.8 Housing Data for Blanchardstown

Table 1 below highlights a number of interesting trends in terms of the nature of housing occupancy throughout Blanchardstown, which are significant in the context of this policy paper. What really stands out is the **significant overall reduction in the percentage of houses rented by residents in Blanchardstown from the local authority between 1991 and 2002**. A further analysis of the small area population housing statistics data reveals that in 1991 there were 1,881 houses rented from

Table 1
Nature of Occupancy between 1991 and 2002 in Blanchardstown

DED's	% Private Rented 10 Accommodation 2002	% Private Rented Accommodation 1991	% Rented from Local Author- ity 2002	% Rented from Local Authority 1991
Abbotstown	21.1	14.9	2.6	4.6
Blakestown	9.9	4.6	0.8	.4
Coolmine	11.8	1.1	21.1	50.7
Corduff	2.9	2.9	26.8	40.7
Delwood	9.2	3.96	0.8	1
Mulhuddart	12.5	0	27.2	84.5
Roselawn	6	3.6	0.5	1.1
Tyrrellstown	3.7	0.4	66.9	85.5
Blanchardstown	9.8	3.9	9.1	22

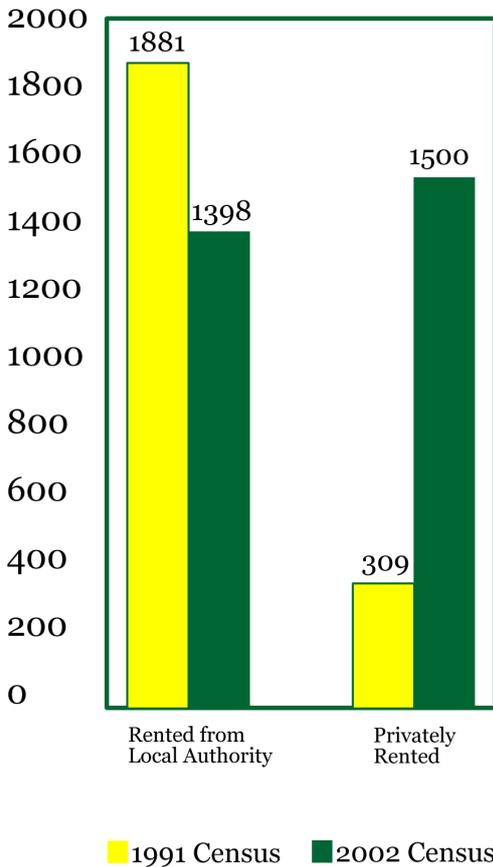
Rented unfurnished and furnished fields were combined

⁹ Housing in Ireland: Performance and Policy.

¹⁰ Rented unfurnished and furnished fields were combined.

Bar Chart 3 *centage of houses pri-*

Comparison of the number of houses rented from local authority & privately rented, (Census 1991 & 2002)



privately rented more than doubled from 3.9% to 9.8%. In 1991 only 309 houses were privately rented in Blanchardstown whereas in 2002 exactly 1,500 houses were.

2.9 Rationale for Case Studies

Following on are case studies relating to two individuals who are affected by the rent supplement poverty trap. The first case study demonstrates and draw attention to a situation where the criteria for the payment of rent supplement towards private rented accommodation prevents a Lone Parent from taking up FAS Training, FAS Employment Programmes or moving into mainstream part time or full time employment. The second case study is specific to a foreign national who has been given leave to remain in Ireland and some of the real barriers that he faces.



For the first time ever therefore more houses are rented privately in Blanchardstown than rented from the local authority. In Mulhuddart one in every eight houses now is privately rented whereas eleven years prior to that there were none.

What is it actually like for people living in private rented accommodation?

Case Study 1

Jackie (not her real name) is a *twenty one year old single parent* who is long term unemployed. She received her Junior Certificate in 1999 from St Paul's Secondary School, Cabra West, Dublin 7. After leaving school, Jackie took up a post as retail sales assistant with Fosters and Pozers in town and then in the Blanchardstown Centre. Jackie completed on the job training in sales and customer care with her employer and also a basic computer course.

For the first two years of Jackie becoming a lone parent, she lived in the family home with her parents, brother and sister with special needs. Although she paid lodgings she could afford to pay a childminder, which allowed her to work. Jackie is registered on Fingal's Register for a Local Authority house. As her parents' house was overcrowded Jackie decided to look for private rented accommodation in a one-bedroom apartment, supported through Supplementary Welfare Rent Supplement at €880 per month.

Jackie approached the Local Employment Scheme/Joblink wishing to work and train. She hopes to change from her previous career of retail sales to an area where she may have more opportunity of job sharing or part time day work to fit in with family commitments.

An LES Mediator has referred Jackie onto an Adult Guidance Counsellor and she was also put in contact with the Blanchardstown Centre for the Unemployed where she improved her keyboard skills. The Mediator has also helped update Jackie's Curriculum Vitae, gone through a career path plan and introduced her to a local Young Mothers Support Group. Finally the Mediator also contacted a local Community Welfare Officer seeking written confirmation on effects to Rent Supplement in taking up FÁS Training or Employment.

Particular Challenges to Progression

1. Policies around Rent Supplement (Supplementary Welfare) restrict Jackie considering FÁS mainstream training, Community Employment, Part Time Employment, and Full Time Employment
2. Lack of affordable childcare
3. Unavailability of local authority housing

Client Outcomes

Jackie is effectively “on hold” at the moment, ***because of the disincentives to returning to work or taking up training. She remains untrained in the area of work identified in career planning and is becoming depressed and more frustrated as a result of this poverty trap.***

Service Outcomes

Much time and effort was spent in exploring ways of supporting Jackie to advancement in training and development. The policies around rent supplement frustrated the mediation process and hampered any real advancement. The service retains Jackie on hold, checking in periodically for a change in circumstances or a change in policy.

Case Study 2

Patrick (not his real name) is a thirty-year-old male from the African Congo, who entered Ireland in 2000 seeking asylum. Two years later he was granted, “leave to remain” in Ireland. Patrick completed Middle School or the equivalent of the Leaving Certificate plus a one-year business course at third level in his native Congo. After finishing college he worked as a Retail Assistant. Patrick is married and has two children, one of whom is in poor health.

Patrick was referred onto the Local Employment Service /Joblink in Blanchardstown as a NEAP candidate. An LES Mediator has met with him on several occasions to explore his options including Revenue Job Assist. He is interested in consolidating and building upon his qualifications. He has completed a FÁS Computer Skills Training Course and has been accepted on a Business/English option, which commenced in September 2005 in Whitehall College. Patrick also registered in September 2004 with the Pathways Programme but this was cancelled, which was very disappointing and frustrating for the client.

Patrick has applied for many openly advertised jobs but after speaking with the potential employers has been informed that the post has been withdrawn. He has discovered that these positions have been re-advertised subsequent to his enquiries. It is proving impossible to bridge the gap between rent supplement and his earning capacity.

Particular Challenges to Progression

1. Institutional racism, evident in the limited responses to job adverts from prospective employers.
2. Lack of work references in Ireland
3. Lack of recognition of equivalent educational qualifications
3. Policies around Rent Supplement (Supplementary Welfare) restrict Patrick from seeking a full time job.
4. Lack of recognition and understanding among employers of Revenue Job Assist.
5. Tangible fear among employers to hire refugees or people with “leave to remain”. It is therefore imperative on the Partnership / LES to challenge institutional factors by linking in with other relevant agencies and development of protocols.
5. No experience of system / bureaucratic structures.
6. Underlying tensions between target group and indigenous disadvantaged population.

Client Outcomes

Patrick is currently “on hold” until training commences with Whitehall College. He has benefited to a certain extent from mediation as he has now been set out on a Training Path and will also gain from social interaction with other participants on the training course.

Service Outcomes

Much time and effort has been spent in exploring ways of supporting Patrick to progress onto training and employment. The policies around rent supplement frustrated the mediation process and hampered any real advancement. The service retains Patrick on hold, checking in periodically for a change in circumstances or a change in National policy.

Section 3 Barriers Emerging for Individuals in Relation to Rent Supplement

3.1 Low Threshold of Secondary Benefits and Inflexibility of the system: Situational and Institutional Barrier

The threshold for the retention of secondary benefits¹¹ such as rent supplement and back to school clothing and footwear has remained unchanged since 1994 at €317.43 per week. This sum was never indexed linked to inflation, which of course erases its worth in today’s values (€429.48). This can result in a real loss of income if the wages offered to a person when they take up employment is above this threshold. Recent changes to the eligibility for rent supplement exacerbated the situation, because under the new rules once one of a couple works full time (30 hours) regardless of wages both are ineligible for rent supplement and various employment and training programmes.

A report¹² on ‘**Barriers to training and employment**’ facing FÁS clients in Blanchardstown and Co. Wexford was completed for the National Partnership

Group in December 2003. This particular report sought to:

- Establish the nature and prevalence of barriers to employment issues facing National Employment Action Plan clients (NEAP) in Dublin 15 as of February 2004
- Provide some case study detail in relation to FÁS NEAP clients who face ‘barriers to employment’ issues.
- Provide a brief outline of the entitlement conditions that apply in relation to Rent Allowance and Medical Cards.

A caseload of NEAP clients referred to the Blanchardstown Employment Services Officer was examined. Two primary poverty traps were identified. The first of these related to people who were unable to take up work or unwilling to because of the difference between their social welfare package and the likely net wage/benefits package they would receive if they worked.

*FÁS employment officers in Blanchardstown were convinced that this poverty trap applied to 17% of the caseload. In the case of a further 5% of the caseload the officers suspected but were less sure that this poverty trap applied. **FÁS officers were convinced that the poverty trap applied mainly to foreign nationals who had been granted leave to remain in Ireland or had refugee status and who had dependent families.** All were in receipt of substantial rent allowances (€900-€1,200 per month) as well as relatively large social welfare payments (€220-€280 per week). Some were also probably in receipt of secondary benefits e.g. fuel allowance, which would be put at risk if these clients obtained work. In order to match this combined package the household income would need to be in the region of €35-*

¹¹ Irish National Organisation of the Unemployed Briefing Paper ‘Making Work Pay’.

¹² NIG 1—Labour Market Policy-Creating systems and processes to capture labour market intelligence, gathered by FAS staff—NEAP clients.

40,000 per annum. However this grouping is very unlikely to earn these sums, as their skill levels are low.

3.2 Effects of being ineligible for rent supplement on a low-income household: Contextual Barrier

The following extracts and tables overleaf were kindly provided by the Irish National Organisation of the Unemployed (INOUE)

John and Mary, who have no children, were in receipt of UA and QA as well as rent supplement*. Their weekly household income was €224.20, which reduced to €211.20 following payment of their rent contribution of €13. Below is a table showing the changes to the household income as a result of Mary taking up employment. Overall, the household income genuinely increases upon the take up of employment. However, their income becomes unsustainable once Mary works more than 30 hours because under the new rules once one of a couple works full-time

Tables 2 & 3

Married couple with no children

1. Spouse / Partner working 3 days or less

Work hours	Wages €	Adjusted UA rate	New household income	Qualify for Rent Supp. on new rules	Rent payable less rent supplement*	Total household income less rent payable
20	140.00	136.65	276.65	Yes	15.45	261.20
29	203.00	64.65	267.65	Yes	13.00	254.65
30	210.00	56.65	266.65	No	178.00	88.65
40	280.00	13.85	293.65	No	178.00	115.85

2. Spouse / Partner working 4 days or less

Work Hours	Wages €	Adjusted UA rate	New household income	Qualify for Rent Supp. on new rules	Rent payable less rent supplement*	Total Income less rent payable
20	140.00	162.04	302.04	Yes	40.84	261.20
29	203.00	90.04	293.04	Yes	13.00	280.04
30	210.00	82.04	292.04	No	178.00	114.04
40	280.00	39.24	319.24	No	178.00	141.24

*Based on a weekly rent of €178. (Eastern Regional Health Authority 2004 maximum rent level for a couple with no children.)

(30 hours) both are ineligible for rent supplement. This clearly creates an unemployment trap. This household income is even below the lowest social welfare payment level for a single person - a threshold that the Government vowed nobody would fall below.

A family – husband, wife and four children

A man is offered a full time job (39 hours per week) paying €380 per week. His family is subsequently ineligible for rent supplement and this results in his household income being less than €150 per week, which includes a top up from FIS. How can a family of this size survive on that amount of money? If he remains unemployed the household income would be €291 and they would keep their rent supplement.

3.3 Lack of Social and Affordable Housing: Contextual Barrier

As the supply of council and affordable

type housing cannot presently meet demand, greater numbers of people have to source private rented accommodation for themselves. Running parallel to this is the boom in the private housing supply by the construction industry in Dublin 15, which is acting as an additional ‘pull factor’ for people to the area. This situation is unlikely to change given the shortage of available land to build houses on in Dunlaoghaire / Rathdown County Council and South Dublin County Council area. It is therefore reasonable to assume that the numbers of people in receipt of rent supplement will continue to rise exponentially in Dublin 15 over the next few years.

3.4 Childcare Difficulties: Institutional Barrier

The second poverty trap (9%) the FÁS report ‘**Barriers to training and employment**’ discussed related to situations where clients were unable or unwilling to take up work because of difficulties in accessing affordable childcare and/or because of the difference between their social welfare package and likely net wage/benefits package they would get if they worked. Most of this group were lone parents in receipt of Lone Parents Allowance as well as UB payments or were low skilled.

Unfortunately in many neighbourhoods where there are large concentrations of single parents local service provision is also poor. The lack of childcare and in particular public childcare for BAP’s target groups is only having the effect of marginalizing them further. Because many single parents *cannot access affordable childcare* the result is that they find it difficult to take up employment related training, personal development programmes or employment. The 2005 Fingal County Childcare Census report highlights that only one third of community crèches in

Blanchardstown operate on a full day sessional basis from Monday to Friday. The inability to access crèche and other childcare facilities results in the children of single parent families missing out on quality pre-primary education affecting their educational attainment at a later stage and making the goal of equality unrealisable.

Some progress has been made in 2004, which improved childcare provision in Blanchardstown. €1,250,000 was recently drawn down under the Equal Opportunities Childcare Programme. As a result 85 full-time day care places came on stream primarily via community crèches many of which are accessed by single parents. Realistically the number of *community childcare* places available will need to increase appreciably and community crèches will need to extend their opening hours. The restricted opening hours are impeding mothers from taking up from full time employment who are not in a position to afford childcare rates charged by private crèches. Typically a mother would expect to be charged €75 per week for her child in a public crèche in comparison to €175 with a private crèche operator.

3.5 Loss of medical card: Situational Barrier

The fear surrounding the potential loss of a medical card is one of the primary factors why people decide not to re-enter the workforce. The possession of a medical card means that a family do not have to pay for school transport or fees and they are also entitled to assistance with school-books¹³. The exact monetary value of a medical card depends on the particular circumstances of the holder. While it is a crude measurement it can be said that, for a family of parents and two children, the average value of a medical card is in the order of €3,000 a year (Mandan, I)¹⁴. In recent years the medical card income guidelines have also not kept pace with

¹³ Kevin Quinn, Blanchardstown Centre for Unemployed.

¹⁴ The Medical Card ‘Affording Health on a Low Income’ Social Policy Series October 2004, Comhairle.

increases in social welfare payments.

Individuals can now retain their medical card for three years after taking up employment. Despite this recent policy change by the government some couples fear that they won't be able to meet the health needs of their children. Another issue, which some people don't realise, is that they will not be able to retrospectively apply for a medical card once they enter employment although they may have been entitled to one when they were unemployed. One must be therefore presently in possession of a medical card before having any opportunity of retaining it for three years upon resuming employment.

3.6 Changes in the Back to Work Allowance Enterprise Scheme criteria: Institutional and Contextual Barrier

From semi-structured interviews held with LES mediators¹⁵ and BAP's Enterprise Officer¹⁶, the changes in the back to work enterprise allowance scheme have impacted on foreign nationals disproportionately. When the legislation was changed in the 2003 budget the government could not have foreseen the unintended negative consequences it could have. In the majority of cases individuals must wait up to five years now in order to qualify under the new criteria¹⁷ set down. In the past this scheme was an excellent progression route for foreign nationals towards self-sufficiency. This option has now effectively been closed to many foreign nationals unless of course they wait around for five years to qualify. Anecdotal confirmation of this is now beginning to emerge.

People in Blanchardstown are now receiving rent supplement payments for longer time periods than only a couple of years ago. The new criteria for the back to work allowance scheme is likely to increase the time lag between people coming on and

off rent supplement.

There is a very strong argument for the back to work enterprise criteria to revert to the original 15 month time period. This would operate as an incentive for foreign nationals to actually seriously consider self-employment. It would also help counteract the danger of creating a new cohort of long term unemployed people in Blanchardstown. This is especially important considering that in the twelve months running up to August 2004, the live register in Dublin 15 recorded the highest percentage increase in people signing on throughout Dublin with the one exception of the Rathfarnham exchange.

3.7 Lack of recognition of educational qualifications and asylum seekers not able to take up educational programmes or attend 3rd level: Institutional Barrier

It should not be overlooked that many foreign nationals and in particular refugees who have arrived in Ireland in recent years, have excellent skills and qualifications. A real barrier lies specifically with the lack of formal recognition for equivalent qualifications from abroad. Many refugees who are in a catch 22-rent situation are now opting to enrol on numerous training courses to 'relieve the boredom'. The end result is that many foreign nationals and refugees are now being referred back and forth amongst support agencies. As matters stand the skills of foreign nationals are not being fully ac-



¹⁵ Mary Tighe and Aileen McKeon.

¹⁶ Paul Douglas.

¹⁷ In receipt of Unemployment Benefit or Unemployment Assistance for at least 5 years or in receipt of Disability Benefit for 3 years or longer or in receipt of One Parent Family Payment, Disability Allowance, Blind Pension, Farm Assist, Unemployment Supplement, Pre-Retirement Allowance, Invalidity Pension, Carer's Allowance, Widow's/Widowers (Non-contributory) Pension, Deserted Wife's Benefit/Allowance or Prisoner's Wife's Allowance for at least 12 months.

¹⁸ These figures should be treated with caution due to coding issues. Sometimes a client may be awarded refugee status but these details are not updated on the database and so the client is still coded as an asylum seeker.

cessed which represents a loss to the Irish labour market. The danger of course is that people will be tempted to work in the 'black economy'. Anecdotally this is beginning to occur more frequently with individuals choosing to take up night shift duties and fast food/courier type work.

According to database records¹⁸ held by the Health Service Executive Northern Area in 2004 there were 286 asylum seekers in Dublin 15 receiving rent supplement. Technically asylum seekers in receipt of rent supplement cannot take up full time education. If they are subsequently found to be actually attending a full time course they can lose their rent supplement. In some cases asylum seekers are waiting many years for their case to be ruled upon by the Department of Justice, Equality and Law Reform. In such circumstances people can develop depression from being inactive. This technical barrier should be abolished to remove the fear factor some asylum seekers may hold around losing their rent supplement when all they are actually trying to do is perhaps improve their English language or IT skills.

3.8 Tax wedge & the removal of national minimum wage earners out of the tax net: Contextual Barrier

The Programme for Government commits the FF/PD coalition to removing all minimum wage earners out of the tax net whilst also ensuring that only 20% of earners pay the higher rate of tax of their earnings. However as can be easily inter-

preted from the table below more people are paying tax now at the higher rate of 42% than in 2003. This acts as a further disincentive for people looking to return to the workforce when an LES mediator or a Community Welfare Officer calculates a person's new 'net monthly income' factoring in rent supplement and secondary benefits losses. Once a single person earns in excess of €29,400 their remaining earnings are all taxed at 42%.

The 2005 budget did in fact remove all NMW from the tax net. However as the minimum wage increased to €7.68 per hour some people on very low wages are now once again liable for tax at the standard rate. According to the ESRI there are thousands of employees in the private sector earning less than the minimum wage who are not covered by the NMW Act. Most of these are aged less than 18 years, on apprenticeships or work in sheltered employment.

3.9 Family Income Supplement: Contextual Barrier

FIS was introduced to increase the reward from work by providing low paid households with extra income. For instance a lone parent on low earnings may be entitled to FIS, as well as a One Parent Family Payment, Deserted Wife's Benefit or Widow's or Widower's (Contributory) Pension. Likewise a person getting a Back to Work Allowance as an employee may also qualify for a FIS payment. People on FIS may also be entitled to payments such as fuel allowance, back to school clothing

Table 4: DISTRIBUTION OF INCOME EARNERS ON THE INCOME TAX FILE

	Exempt	Marginal Relief	Standard Rate	Higher Rate	Total
Pre-Budget 2005	30.9%	.7%	32.5%	35.9%	1,910,279
Pre-Budget 2004	33.12%	.87%	32.6%	33.41%	1,893,800
Pre-Budget 2003	34.14%	.62%	35.27%	29.96%	1,885,300

Source: Department of Finance Website

and footwear allowance.

However to gain real value from FIS it needs to keep pace with increases in average earnings. FIS is calculated at 60% of the difference between net weekly income and the income limit for the family size. This calculation needs to be re-examined. FIS is only available to low income households with children and therefore excludes childless couples. Also you cannot get FIS if you are taking part in a CE scheme although you may if you are on Jobs Initiative or a Social Economy Scheme.

Section 4 Issues Emerging for Services in Blanchardstown

The rent supplement poverty trap is negatively impacting upon many different agencies interacting with disadvantaged people living in Blanchardstown. Following on is a brief description of the difficulties experienced by several agencies, which Blanchardstown Area Partnership works closely with in trying to progress clients into further training and /or employment.

4.1 Blanchardstown Training Services

In 1999, BAP in conjunction with FÁS and Community Employment Projects established the Community Employment Network Support Service (CENSS). The CENSS supported the development and provision of quality skills training to Community Employment projects in the greater Blanchardstown area. In 2004, it changed its name to Blanchardstown Training Services (BTS). This was in recognition of the wider brief that it now holds in training and supporting clients

into employment. BTS now delivers training courses such as Hygiene and Food Preparation and Safepass Programme. BTS along with the Full Time Jobs Initiative refer on many of their clients to BAP-TEC Ltd to attend certified IT training.

According to Cathy McLoughlin, Co-ordinator of BTS, its caseload is increasingly composed of clients who are caught out by the rent poverty trap. One of the major concerns of BTS is that having too many people in this predicament will negatively impact upon the service that it can ultimately provide clients in the medium to longer term. BTS sets itself yearly output and progression targets for the service, which are subjected to close scrutiny from its funding partners. Unless BTS can demonstrate actual progression outcomes with a caseload of clients over a period of time, it will become increasingly difficult to prove the need for its existence.

The rent supplement trap is already leading to a re-cycling of long term unemployed people who are being referred between various training agencies. Should this situation persist it may de-motivate frontline staff within these agencies. The other danger is that if there is a group of individuals attending various courses but not taking employment offers because of their predicaments, their attitudes might negatively impact upon the individuals who really want to progress.

4.2 LES/Joblink

The LES/Joblink provides long term unemployed people with access to a wide range of supports and services aimed at assisting them gain employment. Mediators attached to the LES provide one-to-one guidance and support for long term unemployed people. According to Gerry Keogh, Manager of the Blanchardstown LES, many of the new clients registering with the service are also discouraged from

taking up employment because of the rent poverty trap. Some are totally unaware of their predicament until such time as they wish to take up a job offer and are advised of their dilemma by the mediator in an outreach centre. Some of the LES mediators are unclear as to how the regulations governing rent supplement are precisely applied by Community Welfare Officers. This information gap is reportedly slowing up the progression period of clients. It is clear that the communications flow of information amongst various agencies over the rent supplement guidelines could be further improved.

Section 5 Recommendations

The Department of Social and Family Affairs

Recommendation 1:

The €317.43 threshold limit for retention of secondary benefits needs to be increased significantly. “It adversely affects those in private rented accommodation wanting to participate on Active Labour Market Programmes such as Community Employment and Jobs Initiative and long term unemployed returning to work”¹⁹.

Recommendation 2:

A pilot scheme should be carried out in the Dublin 15 area, whereby the threshold limit effectively applied is increased or rent allowance is tapered for an experimental group of individuals for perhaps one year. The group of individuals selected would need to mirror those already in receipt of rent supplement (control group). A direct comparison of outcomes for both sets of groups could then be made. A working group was established under Sustaining Progress to produce a report²⁰ on Rent Supplements. Amongst the obser-

vations and issues which emerged from the working group, was

a) *Exclusion of spouse/partner in full time employment.* This measure may have a negative impact on childless couples given that they cannot claim FIS.

Recommendation 3:

Re-examine the calculation of the Family Income Supplement and extend coverage to childless families.

b) The need to put in place adequate housing supports to address the needs of people on low incomes who cannot afford to buy their own house. “There should be an integrated housing policy, which caters for the housing needs of people who currently rely on rent supplement on a long-term basis”

Recommendation 4:

Return eligibility for Back To Work Enterprise Allowance from 3 years to 15 months.

Recommendation 5:

Remove all National Minimum Wage earners out of the tax net

The Department of Environment, Heritage and Local Government and County Councils

Recommendations 6:

More social and affordable housing needs to be built nationally. Irish society is increasingly fragmenting. There are higher numbers of single parents, partially due to marriage breakdown plus people are marrying far later in life. Increasingly more apartments and single dwellings will have to be built to meet demand for specified priority groups. The government should also explore the possibility of introducing a refundable housing tax credit to assist those on low incomes to pay for their housing in the private rented sector.

¹⁹ ‘Time to Share the Wealth’, Post-Budget Analysis 2005, INOU.

²⁰ Report of the Social Partners Group on Rent Supplement, August 2004.

Recommendation 7:

Local authorities and Health Service Executive should employ more Equality Officers. They would oversee the development of anti-discriminatory policies and practices around different policy areas.

The Department of Tanaiste, Health and Children

Recommendation 8:

Extend coverage of medical cards to cover any children below 18 years of age so to encourage more people to re-enter employment. ‘The income guidelines governing eligibility of medical cards increased by 7.5%. However, given that the lowest rate of social welfare increased by €14 there is a possibility that some social welfare recipients will continue to be ineligible for a medical card’.

The Department of Justice, Equality and Law Reform and County Childcare Committees

Recommendation 9:

The government must allocate far greater resources than at present to the County Childcare Committees if it is going to come close to addressing the present childcare deficit. More community crèches will also need to operate on a full time sessional basis than at present. The government should increase child dependents allowances, which have remained frozen since 1994 “given that the CDA is a targeted mechanism to assist families de-

pendent on welfare with the costs of raising children”

Health Service Executive

Recommendation 10:

Health Service Executive should periodically keep front line staff in other agencies such as Local Employment Services and VEC’s fully briefed as to any changes in the retention rules for rent and mortgage payments.





21 Migrant worker, refugees, people with leave to remain.

22 RAS is to be implemented over a four-year period with local authorities taking over responsibility for housing rent supplement recipients from the Higher Services Executive. It is intended that all Rent Supplement clients of 18 months or longer will be moved to RAS over a four-year period.



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