

# ***Budget 2017: rebuilding the voluntary and community sector?***



**Brian Harvey  
The Wheel**

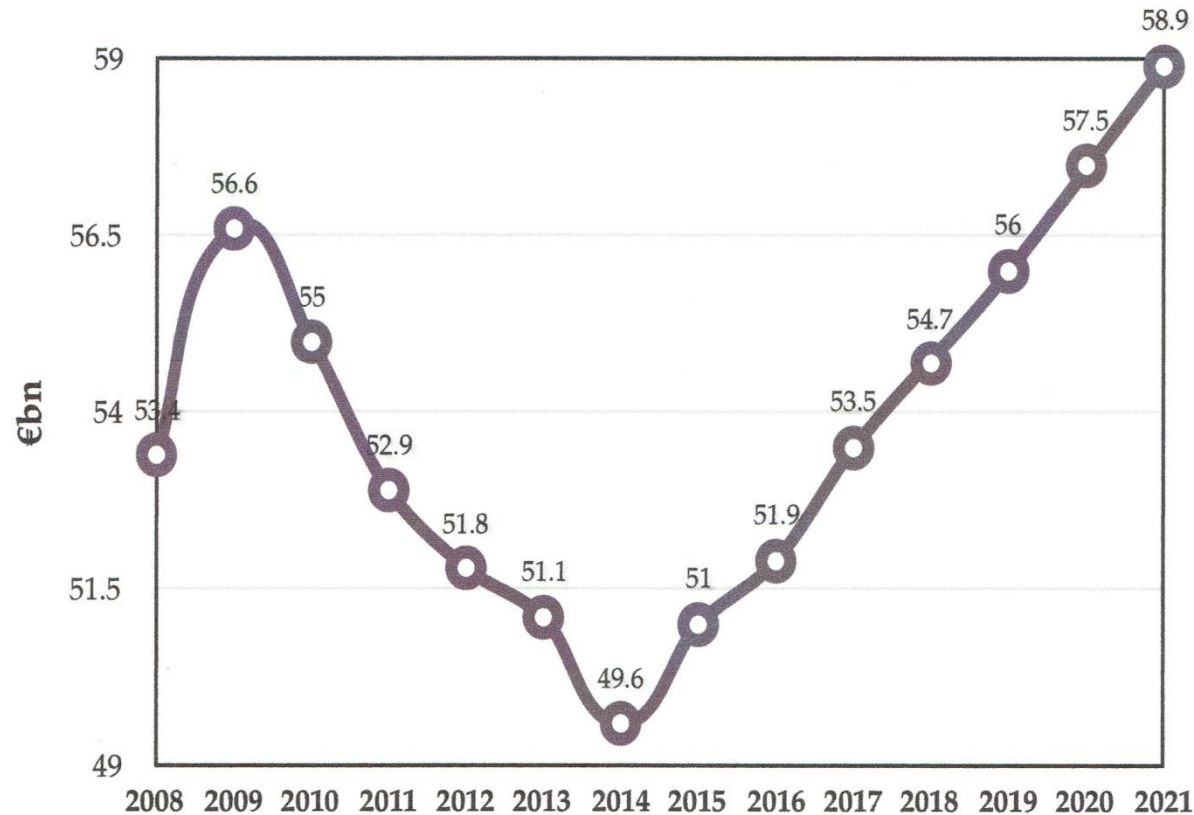
**13<sup>th</sup> October 2016**

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# Big picture

- Tenth budget since start economic and social crisis
- Low point government spending €49.6bn 2014
- Modest rise from €51.9bn 2016 to €53.5bn 2016, up 2.9%
- We are up +0.2% on 2008 (€53.4bn) benchmark, contrasting with voluntary, community organizations down -35% to -45%
- This analysis will look at:
  - Social impact of budget and social spending patterns
  - Impact on funding of voluntary & community organizations

## Government spending 2008-2021e



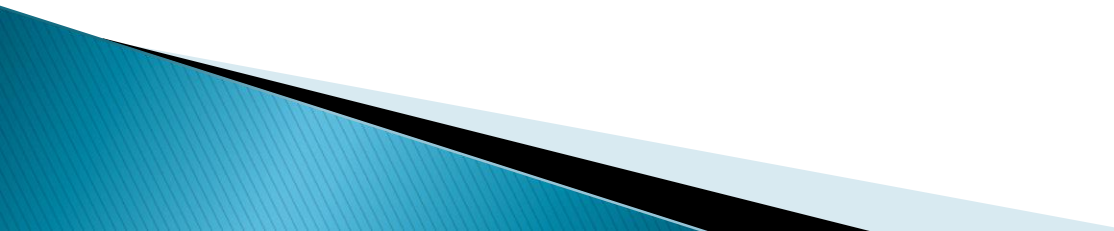
## Government spending 2008-2021e

Up 0.2% from 2008 baseline to 2017  
2009 peak, 2014 low point

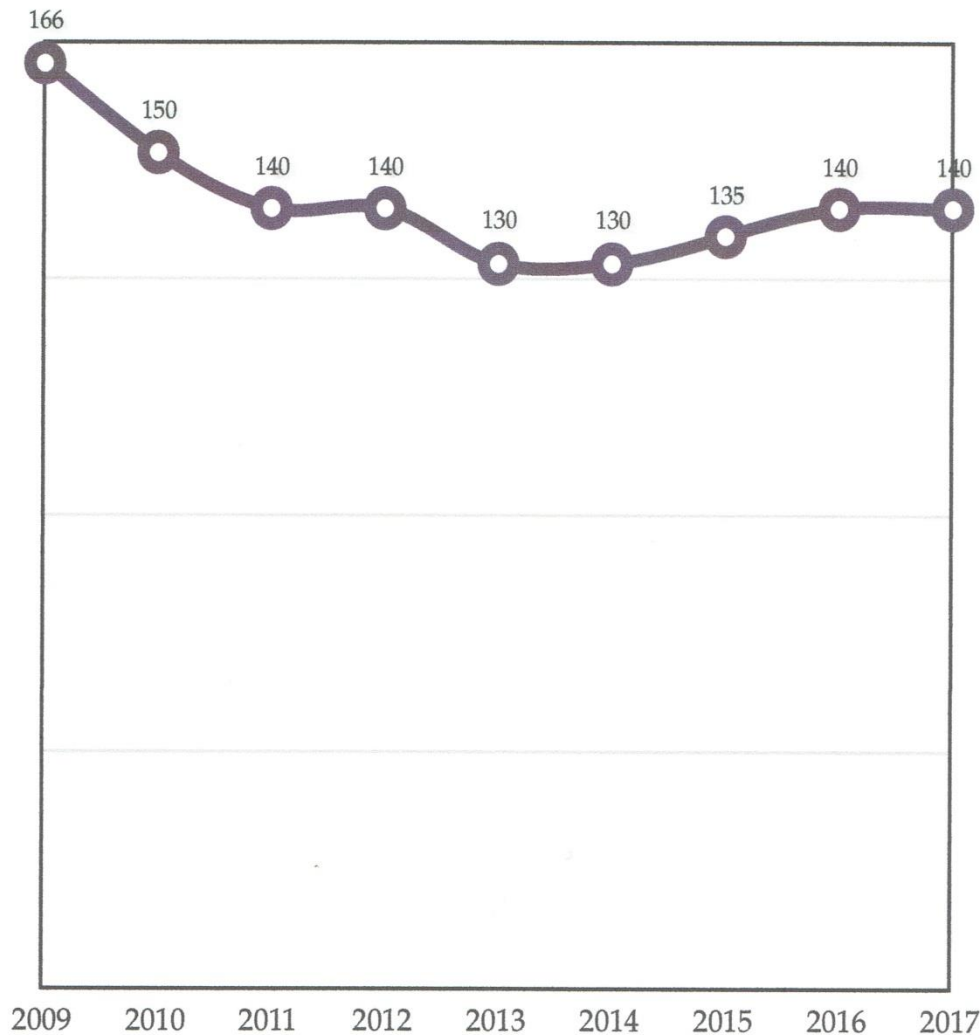
# Social changes

- ▶ A small number of decisions:
  - All social welfare rates up €5
    - Except under 25s, where it is €2.70
  - Child benefit remains €140, -15% of 2009 level
    - But a new Single Affordable Childcare Scheme
    - It will be means-tested, not universal
    - From September 2017
  - 85% restoration Christmas bonus (75% last year)

# Implications

- ▶ First recognition of need to improve rates other than pensioners
    - Unemployed the group most affected by austerity, lost -22% of living standard (ESRI)
  - ▶ Basic rate now €191. Pension:
    - Contributory: €238.30
    - Non-contributory: €227
    - Has moved substantially ahead of other payments
  - ▶ Basic rate is still *below* poverty line (€210.11)
    - 9% below
    - Not recognized in budgetary presentations
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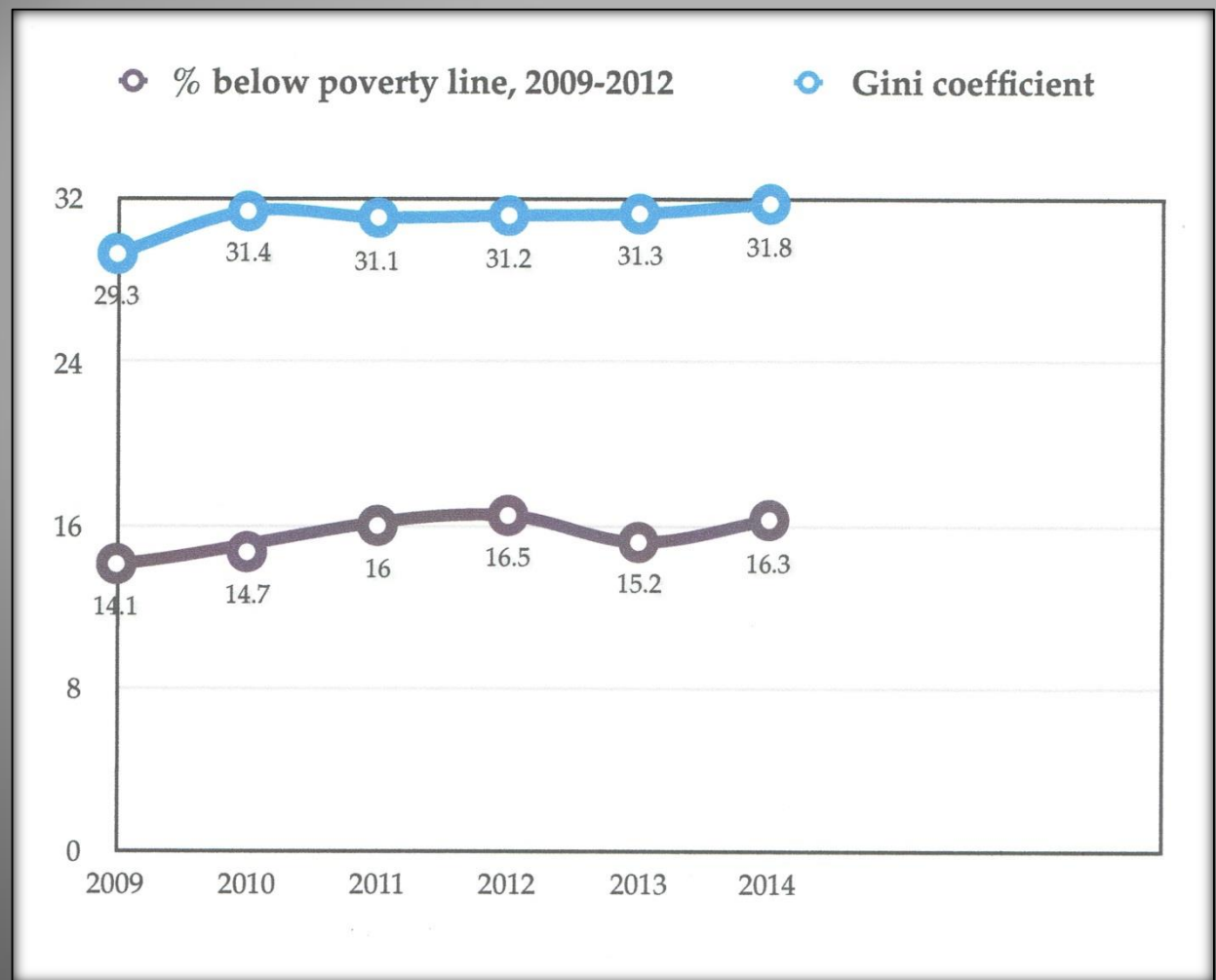
Child benefit level 2009-2017 €



Child benefit  
is a critical  
instrument  
to address  
child  
poverty:  
unchanged  
at €140

Still 15%  
below 2009  
level





»»  
% in poverty up from 14.1% to 16.3%

Inequality up from 29.3 to 31.8



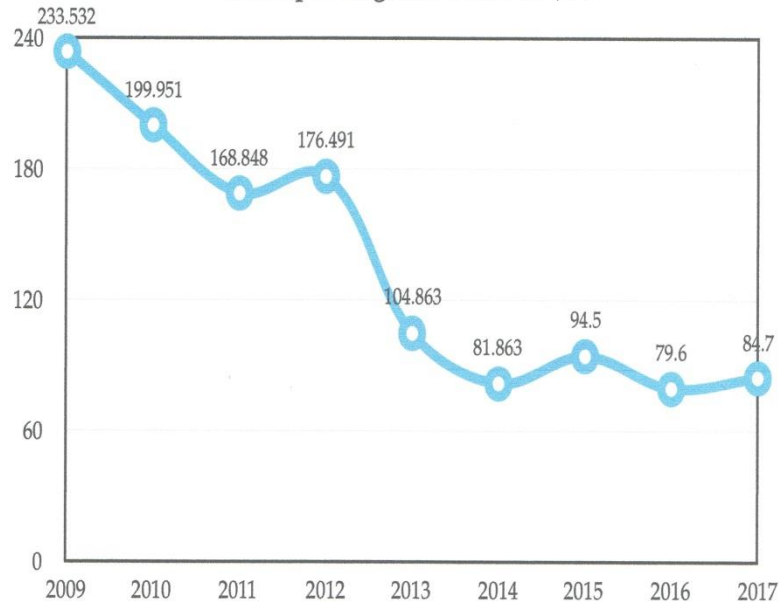
# Social welfare spend (1)

Title	2016	2017	%
Job Seeker Allowance	2.4bn	2.1bn	-12%
One Parent Family Payment	500m	500m	0
Supplementary Welfare	79.6m	84.7m	+6
Rural Social Scheme	44.3m	44.3m	0
Rent Supplement	266m	252m	-5%
Family Income Supplement	410m	422m	+3%
Community Employment	376m	354m	-6%
Tus	121m	124m	+3%
Jobs Initiative	20.4m	19.2m	-6%
Job Bridge	51.9m	29m	-44%
BTWA	130m	119m	-9%
BTEA	121m	106m	-12%
Training for Emp. Inc. VTOS	232m	216m	-7%

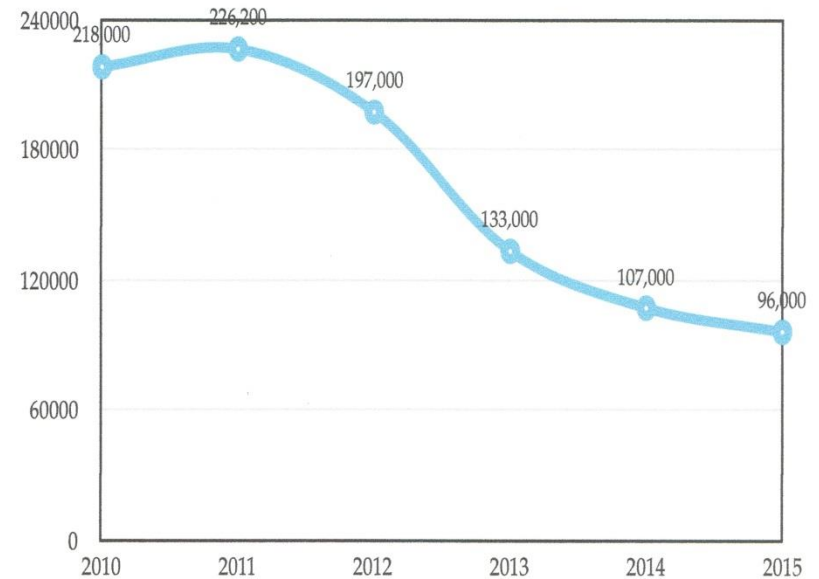


# SWA, up 6%, especially important as it is the safety net social welfare scheme - but was reduced by half in course of austerity regime

SWA spending, 2009-2014-2017, €m



SWA ENP numbers, 2009-2015



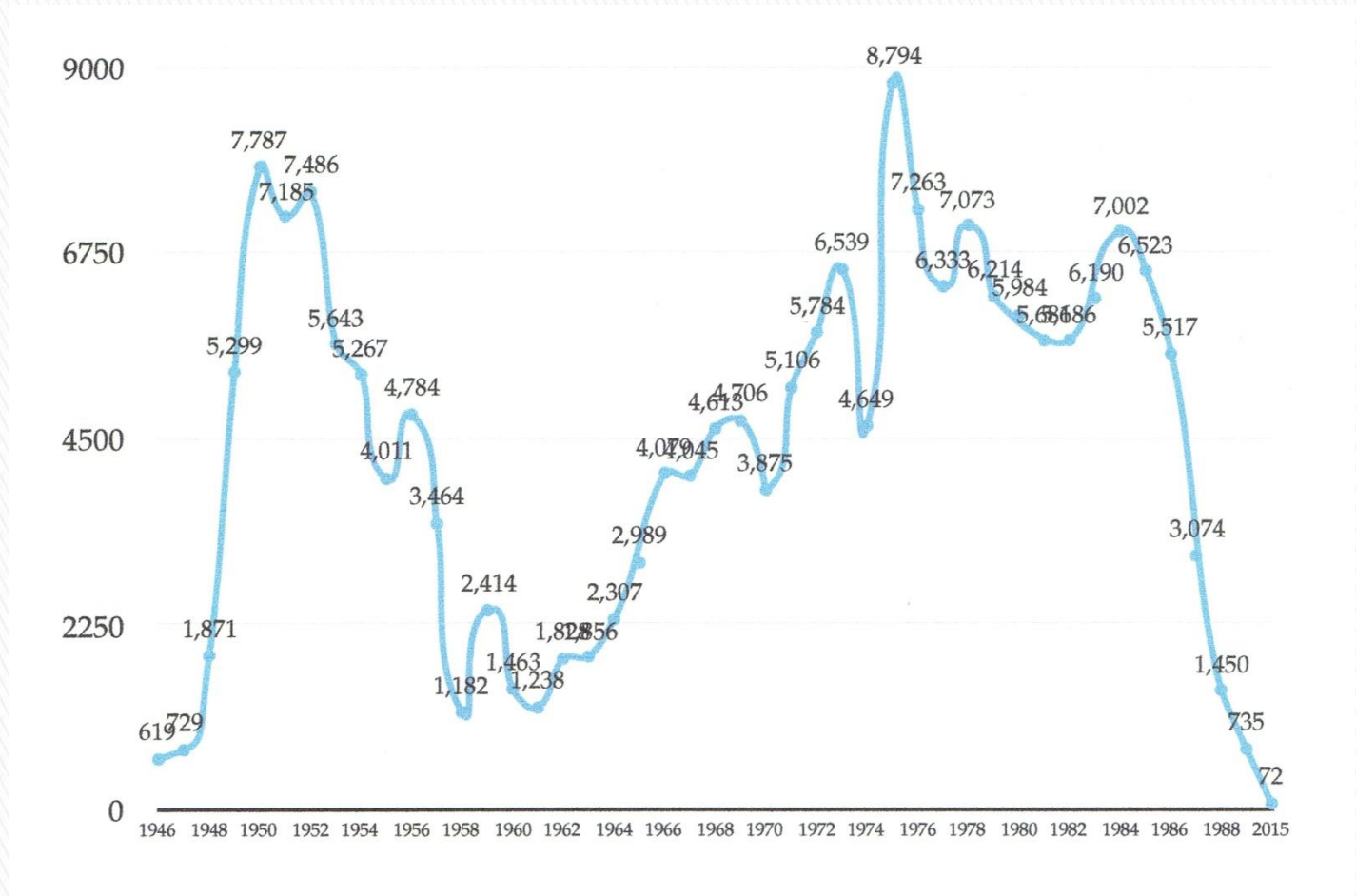
Spending down from €233m to €84m

Exceptional Needs Payments down from 218,000 to 96,000

# Social welfare spend (2)

Title	2016	2017	%
Clothing, footwear allowances	38m	37.4m	-4%
School meals	42m	47m	+13%
Fuel allowance	143m	146m	+2
Community Service Prog.	45.1m	46.1m	+2%
Traveller accommodation	5.5m	9m	+64%

- Schemes above are important actions against poverty
- Like last year, we are presented with inconsistent picture
- Reductions in allowances, schemes part-explained by partial economic 'recovery'
- Traveller accommodation was €40m in 2008, so it was cut -77.5%
- We have no figure for new local authority housing construction (over)



## Housing local authority output from 1946 to 2015

Notice peaks in 1950s, 1970s and 1980s when annual output was over 7,000 a year. Last year the local authorities completed 72 homes. This is a critical area of social spending and a key determinant of whether homeless people and those on low incomes obtain housing.

# Voluntary & community organizations

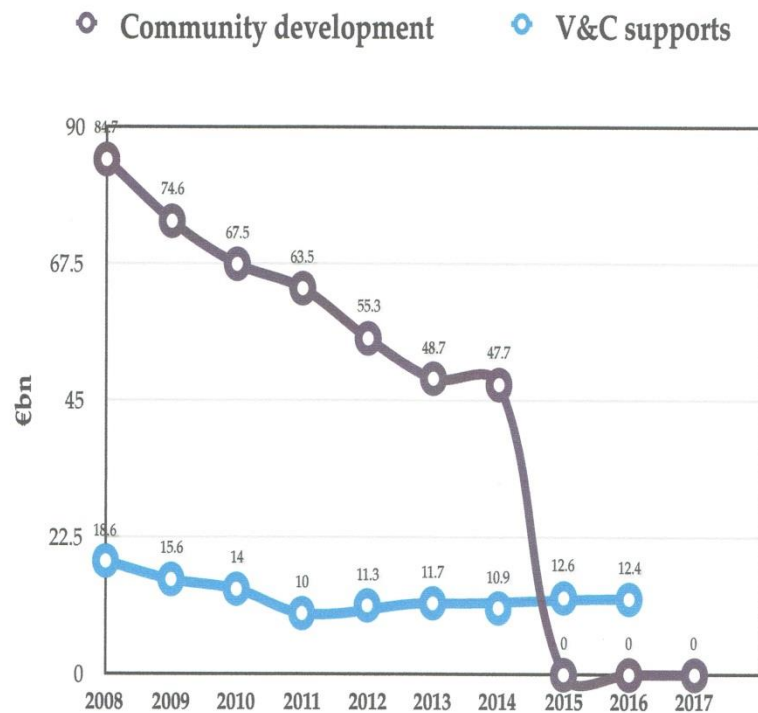
- ▶ HSE allocation up 9.2bn to €9.6bn +5%
  - Generally, such an increase applied across the board
  - This is main funder of V&C organizations
  - But no line for DoH lottery
- ▶ Development aid static at €485m
- ▶ IHREC from €6.2bn to €6.5bn
- ▶ Housing for V&C orgs up €143m to €160m (+12%)
  - But it was €192m in 2008
- ▶ Homeless services up €70 to €98m (25%)
- ▶ Youth up from €51.9m by €5.5m or €2m
  - But it was €90.5m in 2008.

# Comparisons 2008-2016

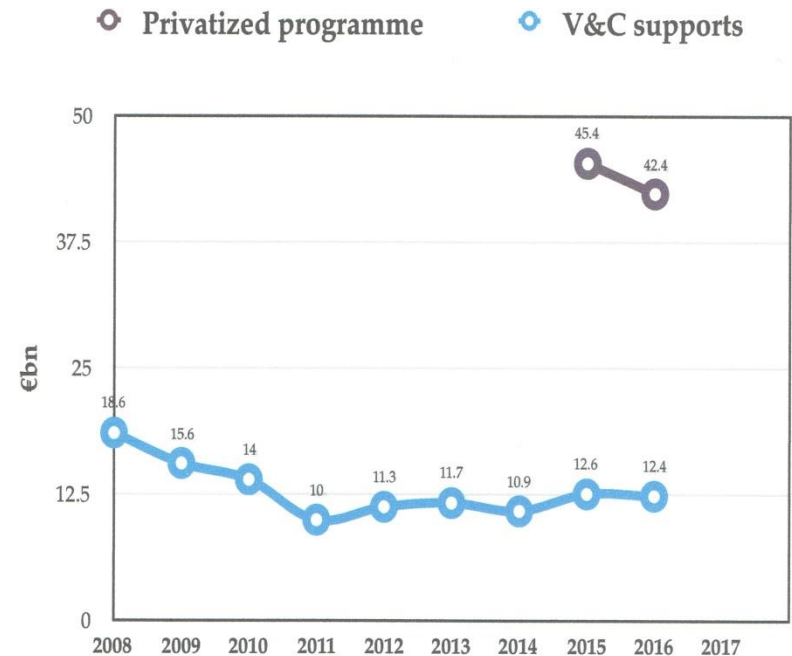
Title	2008	2016	%
Voluntary housing	192m	143.9m	-25%
Youth organizations	90.5m	51.9m	-43%
Arts Council	81.6m	60.12	-26%
Community development (SICAP	84.7m	0 42.4m)	-100%
National supports V&C	18.6m	12.4m	-33%
Sports Council & grants	115.3m	47.2m	-59%
FRCs and counselling	36m	19.3m	-46%
Probation services	16.7m	10.7m	-36%
OPMI migrants	6.7m	4.5m	-33%
Cosc violence against women	3.1m	2.4m	-23%
Women's organizations	0.6m	0.4m	-32%
Environmental NGOs	8.2m*	5.5m*	-32%
Medical charities research	1m	0.8m	-20%
DoH&C lottery	3.9m	3.3m	-15%



# Voluntary and community supports, community development



V&C and community development grants. CD grants dated to 1891.



V&C grants shown against privatized SICAP programme

# Future

▶ Big spenders	<u>2017</u>	<u>2018</u>	<u>2019</u>
▶ Children & youth	€1.287bn	€1.287bn	€1.287bn
▶ Education & skills	€8.84bn	€8.84bn	€8.84bn
▶ Housing etc	€1.076bn	€1.076bn	€1.076bn
▶ Health	€14.1bn	€14.2bn	€14.3bn
▶ Social Protection	€19.8bn	€19.9bn	€20bn
▶ Total	53.5bn	€54.7bn	€56bn

- ▶ Static: children & youth, housing, education & skills
- ▶ Up gradually: social protection, health



# Summary

- ▶ First time spending ahead 2008 benchmark +0.2%
    - But V&C sector still down -35 to -45%
  - ▶ Small number of social welfare decisions
    - First recognition importance of all social welfare rates, SWA
    - Main rates are still 9% below the rising poverty line
  - ▶ Voluntary and community organizations
    - Will benefit from HSE +5%
    - Will gain in V&C housing (12%), homeless services (+25%)
    - Development NGOs likely static
  - ▶ Prospects for 2017-2019?
    - Only small increases health & social protection; rest flat
  - ▶ Little evidence of significant social recovery, restoration of V&C losses, or rebuilding.
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